

ANNUAL REPORT

2013—2014



Premier
& Cabinet

The Department of Premier And Cabinet

Annual Report 2013–2014

**Level 39
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000
GPO Box 5341
Sydney NSW 2001**

Please note that in November 2014, the relocation of DPC to 52 Martin Place, Sydney will be completed, all other contact details should remain the same.

**Business hours
8.30am to 5.00pm
T 02 9228 5555
F 02 9228 3522
E contact_us@dpc.nsw.gov.au**

©2014 State of NSW Department of Premier and Cabinet. This report was first published in October 2014. There were no external costs recorded for producing this annual report. View or download this report from the Department of Premier and Cabinet website: www.dpc.nsw.gov.au

SC000191

CONTENTS

- From the Secretary 4**
- About us..... 5**
- Achievements**
 - Department of Premier and Cabinet 17
 - Division of Local Government 36
 - Office of Environment and Heritage 38
 - Parliamentary Counsel’s Office 42
- Corporate governance 45**
- DPC financial statements 51**
- Appendices 104**
 - Administration 104
 - Funding and expenditure 112
 - Human resources 124
 - Legal 127
- Contact details 129**
- Abbreviations 131**
- Index 132**

FROM THE SECRETARY

During 2013-2014, the Department of Premier and Cabinet (DPC) continued its important work at the strategic heart of government in New South Wales. Department executives and officers served an active government agenda by providing professional policy and operational support for the Cabinet processes, ministry and legislative program.

By its nature as a central agency, the department's interests traverse the state and all policy areas. DPC is entrusted to bring clear and effective perspectives to government to support its leadership and decision making through Cabinet and its committees. In concert with our colleagues in delivery agencies, and with community and private sector partners, DPC seeks to secure the highest standards of social and economic investment for NSW.

A particularly important contribution by the department during 2013–2014 was to develop the Rebuilding NSW Plan, where the government proposes to invest \$20 billion in infrastructure by recycling assets from state owned electricity network business through partial lease. As well, DPC continued to lead the unsolicited proposals process, where private sector operators are able to bring innovative ideas for services and infrastructure to the government for assessment and potential execution.

There were significant achievements in social policy areas, including child protection and service delivery to Aboriginal communities.

The department has been planning important changes to its workplace practices, ahead of its move to new consolidated offices in Martin Place, Sydney, near the NSW Parliament in

2014-2015. There will be a transfer to activity based working with an emphasis on project collaboration, supported by new information and communications technology.

In the tradition of public service practice, the department supports the Premier and Cabinet of the day. In April 2014, departmental staff aided the transition of the office of Premier from the Hon Barry O'Farrell MP to the Hon Mike Baird MP, following a change in the leadership of the senior party in the governing coalition.

Having taken up the position of DPC Secretary on 7 October 2014, I wish to acknowledge the leadership of Simon Smith as Acting Secretary and Chris Eccles as Secretary during the 2013-14 reporting year. Both have left a very solid platform for the continuing work of the department. I am sure that Simon and Chris would join me in wanting to acknowledge the fine quality of the work and the commitment of DPC's staff during the year.

For the year ahead, the department is remaining focused on providing leadership and support across the government sector. This includes important roles connected with the 2015 state general election, where principles of integrity and impartiality guide the department's staff in their service to the people of NSW.



Blair Comley PSM
Secretary

01 | ABOUT US

PERFORMANCE HIGHLIGHTS

The Department of Premier and Cabinet works for the people of NSW by supporting the Premier and Cabinet. The department has an important role in driving the NSW Government's objectives, coordinating policy and services across the whole-of-government, and enabling effective stewardship of the public service.

Rebuilding NSW Plan

On 10 June 2014 the government announced its Rebuilding NSW Plan to invest \$20 billion into infrastructure by recycling assets from electricity network businesses, through partial lease of those assets.

DPC helped develop the plan and assisted with producing the scoping study for the transaction with NSW Treasury. The Premier also asked DPC to lead a comprehensive public consultation process on the package and work with Infrastructure NSW to update the State Infrastructure Strategy.

Supporting Sydney's sustainable growth

On 3 June 2014 the government announced plans to establish a Greater Sydney Commission to support the sustainable growth of Sydney. The commission aims to deliver the planning priorities and urban infrastructure required to accommodate an additional 1.6 million people by 2031.

DPC worked with the Department of Planning and Environment (DPE) to develop the commission's concept and role, and continues to work with agencies to implement the government's decision.

Protecting children from harm

DPC led the development and execution of the Intergovernmental Agreement for the National Exchange of Criminal History Information for People Working with Children (the Exchange). The Exchange, which has operated on a trial basis since 2009, is an important measure in protecting children from harm. It aims to increase the range of criminal history information shared between jurisdictions. DPC led the work to formalise the arrangements under the Exchange on behalf of the federal, state and territory governments. The Council of Australian Governments (COAG) agreed to the permanent inter-jurisdictional Exchange in July 2013.

Keep Them Safe reforms

Following the Special Commission of Inquiry into Child Protection Services, the government implemented sweeping reforms to the child protection system known as Keep Them Safe (KTS). The \$750 million reforms were implemented over five years to June 2014 and their evaluation has been in planning since early 2009. DPC commissioned a consortium of researchers (led by the Social Policy Research Centre at the University of NSW) to conduct the Outcomes Evaluation in July 2013. The evaluation determined whether the reforms delivered improved outcomes for vulnerable children and families. The evaluation was a pioneering initiative and involved nine complementary methodologies specifically selected to cover as many aspects of KTS as possible. It was also the largest single evaluation of a human services program undertaken in NSW.

Leading the unsolicited proposals process

DPC continued to lead the unsolicited proposals process. This included finalising Crown Casino's proposal for a VIP casino at Barangaroo and progressing the NorthConnex Project to a commitment deed between the government and the private sector proponents. DPC also began exploring other avenues for introducing contestability and innovation into the public service to complement the unsolicited proposals process.

Reducing red tape

The government is on track to meet its election commitment to reduce regulatory costs for businesses and the community by \$750 million by June 2015. The target is part of the NSW 2021 commitment to reduce red tape and increase the competitiveness of doing business in NSW. Ninety one reforms were implemented in 2013, generating \$259.2 million in cost savings for business and the community. Reforms that are expected to be implemented in 2014 are projected to exceed the \$261.3 million in cost savings that are needed to meet the target. The stock of regulation decreased, with 10 principal legislative instruments introduced and 16 repealed.

DPC is also leading a set of targeted industry reviews to reduce red tape across housing construction, road freight, cafes and restaurants, clothing retail and print manufacturing.

91
REFORMS TO REDUCE RED
TAPE, GENERATING
\$259.2m
IN COST SAVINGS

Supporting ministers and their staff

DPC provided administrative support services to ministers and their staff in accordance with the *Members of Parliament Staff Act 2013 (MOPS Act)*, which began on 24 February 2014. Under the Act, the Premier sets up the arrangements and conditions for employing ministers' staff, and staff are employed by ministers (or their chiefs of staff acting under delegation from ministers). These arrangements also apply to the Opposition Leader's staff.

Reforming the VET system

DPC partnered with the Department of Education and Communities (DEC) to provide policy advice and support for developing and implementing the Smart and Skilled reform package.

The package aims to establish a competitive market for providing vocational and education training. It also supports key government priorities such as ensuring the government receives value for money from its investment in Vocational Education and Training (VET) and that the sector delivers the skills required to support a robust NSW economy.

Strengthening lobbying regulations

DPC worked to strengthen regulation of lobbying activities by developing the *Electoral and Lobbying Legislation Amendment Bill 2014* to:

- » Establish the Electoral Commission as an independent regulator of lobbyists.
- » Apply a set of ethical standards to all third party lobbyists and other organisations that lobby government.
- » Empower the independent regulator to investigate alleged breaches and impose sanctions. This could result in lobbying firms being removed from the Lobbyist Register and other organisations placed on a Watch List with their access to government restricted.

Ministers are now required to publish quarterly diary summaries of scheduled meetings with external organisations on portfolio related activities.

Refurbishing Government House

A steering committee comprising representatives from DPC, Historic Houses Trust and the Office of the Governor oversaw the refurbishment of Government House.

The refurbishment provided a Vice Regal residence in the State Rooms and office space for the Executive Office enabling the Governor to live on site after an absence of 17 years.

Responding to ICAC investigations

DPC developed the *Mining Amendment (ICAC Operations Jasper and Acacia) Bill 2014* to cancel exploration licences for Doyles Creek, Mount Penny and Glendon Brook.

Independent Commission Against Corruption (ICAC) recommended cancelling the licences, following its findings of corrupt conduct against various individuals, and establishing new systems of auction and strategic planning to guide future allocations. DPC is working with other agencies to implement ICAC's recommendations.

Reviewing police arrest powers

DPC contributed to the reform of police arrest powers. This included DPC providing intensive advice and support to former police minister Paul Whelan and former shadow attorney-general Andrew Tink in their review of the powers. The government amended the legislation in November 2013 to ensure police had clear, simple and effective powers of arrest while protecting the community.

Reforming provocation laws

DPC chaired the Provocation Working Group, which worked with the Department of Justice, Office of the Director of Public Prosecutions (DPP), the Public Defender and Women NSW to reform NSW's partial defence of provocation.

The partial defence of provocation reduces a charge of murder to a conviction for manslaughter. In response to an inquiry held by a Legislative Select Committee, DPC worked closely with agencies to better align the defence with community standards.

This ensured that partial defence could not be used where the victim chose to leave a relationship or due to circumstances of infidelity. It also ensured the defence remain available in appropriate cases to victims of ongoing domestic violence.

WHAT WE STAND FOR

PROFESSIONALISM AND EXCELLENCE

We focus on outcomes,
take responsibility
for our work,
provide consistent
and accurate advice,
and demonstrate
drive, energy
and initiative.

DEPARTMENT OF PREMIER AND CABINET

As a central agency, DPC provides thought leadership across the public sector, contributing a unifying intelligence to the system of government.

DPC has a key role in:

- » Providing clear reform leadership.
- » Setting and monitoring objectives and targets.
- » Driving delivery of the NSW 2021 Plan.
- » Improving public sector performance.
- » Contributing to an efficient customer focused public sector.
- » Facilitating private sector partnerships and investment.
- » Providing an independent source of advice based on sound evidence.
- » Leading negotiations on priority COAG agreements.
- » Advising on governance and machinery of government changes.

- » Coordinating and managing cross portfolio issues.
- » Coordinating legislative and parliamentary processes.
- » Facilitating the government's decision making.

DPC is a public service agency under the *Government Sector Employment (GSE) Act 2013*. The department is primarily responsible to the NSW Premier, and in respect of some of its functions is also responsible to regional ministers.

CENTRAL AGENCY GROUPS

DPC comprises the following central agency groups

Communities and Social Investment Group

The Communities and Social Investment Group drives the government's social policy agenda. It supports the government to implement its strategy to enable individuals and families to make informed choices that shape their lives. The group draws on the strengths and capabilities of the behavioural insights team to help guide these choices.

The group works with the education, family and community services, police and justice, and health portfolios. It delivers the government's next phase in customer focused reforms by supporting the Customer Service Commissioner. It is also responsible for the Social Policy Cabinet Committee and the Counter Terrorism and Emergency Services Cabinet Committee.

Government and People Group

The Government and People Group provides DPC's enabling functions through corporate, governance, ministerial support and coordination. The group is responsible for providing DPC with the mechanisms to transform the way it does business and interacts with customers.

The group provides HR, IT and finance support to DPC and ministry, and as needed, to the Premier and Cabinet cluster. The group also includes the Office of the Governor and provides DPC's briefing and correspondence coordination, and delivery of major events and protocol support.

Office of General Counsel

The Office of General Counsel (OGC) is responsible for providing legal, policy and governance advice. The office supports the Premier and DPC and manages the government's legislative agenda.

The office also develops and implements policy and legislative reforms within the Premier's portfolio, assists with whole-of-government priority reforms, and manages DPC's litigation and external legal service provision (except employment matters).

The office comprises the Legal Branch and Information Access Unit (IAU). The Legal Branch administers legislation allocated to the Premier including constitutional, integrity and electoral

legislation. IAU manages DPC's compliance with the *Government Information (Public Access) Act 2009 (GIPA)* and assists the secretary to administer the government's Register of Lobbyists.

Office of the Secretary

The Office of the Secretary supports the Secretary's leadership role within the department, cluster and broader public sector.

The office provides the Secretary with executive administration support and is responsible for facilitating communication and decision making processes. This includes providing secretariat functions to the Senior Executive Board (SEB) for the department and the Senior Management Council (SMC). The council is the NSW public sector's peak leadership group and comprises all secretaries and the Public Service Commissioner.

Productivity and Sustainability Group

The Productivity and Sustainability Group supports sustainable economic growth in NSW. Our goal is economic growth that can continue over time, while maintaining the environment, social assets and without creating debt that unfairly burdens the future.

The group unites people with economic, infrastructure, planning and environmental expertise and capabilities that span strategy, policy and delivery. This range of skills helps the group balance complex and competing outcomes.

The group works across government and with the private sector and broader community to improve productivity, prioritise resource allocation and streamline regulatory frameworks. It supports the Cabinet Subcommittees for Infrastructure and for Resources and Land Use.

Sector Performance and Coordination Group

The Sector Performance and Coordination Group supports the government's decision making and performance. The group helps the government improve its performance by increasing connections between levels of government in the delivery of services, and works with NSW agencies to break down silos and focus on outcomes for citizens. The group provides secretariat support for Cabinet as well as an effective voice for the government to communicate its decisions and achievements to NSW citizens.

PORTFOLIO DIVISIONS

The Division of Local Government (DLG), the Parliamentary Counsel's Office (PCO) and the Office of Environment Heritage (OEH) formed part of DPC until 23 February 2014. With the commencement of the *Government Sector Employment Act 2013* on 24 February 2014, DLG, OEH and PCO became separate Public Sector executive agencies related to DPC. This report only covers activities until then. For information following this date please see the organisations' separate annual reports.

DLG reports to the Minister for Local Government and OEH to the Minister for the Environment and Minister for Heritage while PCO operates as a separate office.

Division of Local Government

DLG is responsible for local government across NSW. The division's organisational purpose is to strengthen the local government sector, and its organisational outcome is successful councils engaging and supporting their communities. Operating within seven strategic objectives the division has a policy, legislative, investigative and program focus in matters ranging from local government finance, infrastructure, governance, performance, collaboration and community engagement.

Office of Environment and Heritage

Working with the community, OEH cares for and protects NSW's environment and heritage, which includes the natural environment, Aboriginal country, culture and heritage and built heritage. OEH also supports the community, business and government in protecting, strengthening and making the most of a healthy environment and economy in NSW.

Parliamentary Counsel's Office

The Parliamentary Counsel's Office (PCO) is a separate office that provides the government with a comprehensive and integrated range of services for drafting and developing legislation, publishing legislation and providing advice and information about legislation to government.

PCO provides public access to legislation through its www.legislation.nsw.gov.au.

PREMIER AND CABINET CLUSTER

DPC is the principal department of the Premier and Cabinet cluster.

In addition to DPC, the Premier and Cabinet cluster also includes the following entities and functions.

The Premier's portfolio

- » Audit Office
- » Barangaroo Delivery Authority
- » Election Funding Authority
- » Independent Commission Against Corruption (ICAC)
- » Independent Pricing and Regulatory Tribunal of NSW
- » Infrastructure NSW
- » Inspector of ICAC
- » Inspector of the Police Integrity Commission
- » Internal Audit Bureau
- » Natural Resources Commission
- » NSW Electoral Commission
- » NSW Ombudsman's Office
- » Police Integrity Commission
- » Parliamentary Counsel's Office
- » Public Service Commission (PSC)
- » Service NSW

The Environment and Heritage portfolio

- » Environment Protection Authority (EPA)
- » Centennial Park and Moore Park Trust
- » NSW Environmental Trust
- » Heritage Council of NSW
- » Historic Houses Trust of NSW
- » Parramatta Park Trust
- » Royal Botanic Gardens and Domain Trust (RBGDT)
- » Taronga Conservation Society Australia
- » Western Sydney Parklands Trust

The entities above that are required to produce annual reports do so separately from the DPC's annual report.

DPC DIRECTIONS STATEMENT 2014–2015

OUR PURPOSE

The Department of Premier and Cabinet (DPC) works for the people of NSW by supporting the Premier and Cabinet. We drive the government's objectives, coordinate policy and services across the whole-of-government and enable effective stewardship of the public service.

OUR DISTINCTIVE CONTRIBUTION

DPC provides thought leadership across the public sector, contributing a unifying intelligence to the system of government.

We:

- » know the strategic context
- » sponsor the contest of ideas
- » build shared understanding of government objectives
- » facilitate effective whole of government outcomes.

We create value by:

- » providing clear reform leadership
- » setting and monitoring objectives and targets
- » being an independent source of advice based on sound evidence
- » coordinating and managing cross portfolio issues
- » facilitating decision making by the government
- » improving the performance of the public sector.

WHAT WE STAND FOR

The department's work is based on shared values that focus on high performance and achievement, ethics and people.

Professionalism and excellence

We focus on outcomes, take responsibility for our work, provide consistent and accurate advice, and demonstrate drive, energy and initiative.

Integrity

We are ethical, impartial and honest.

Care

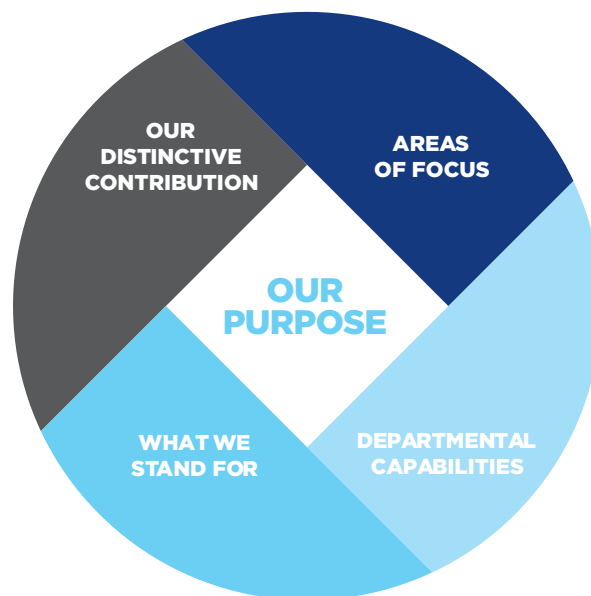
We support our people, recognise their value, and invest in their development. Together we are respectful, honest and enthusiastic.

Service

We are custodians of good public governance providing responsive service to the community and government.

Respect

We are collaborative and courteous in our dealings with internal and external colleagues and stakeholders.



AREAS OF FOCUS 2013–2014

The following objectives involve contributions from every departmental group:

- 1. Lead the government's agenda for change in NSW.**
- 2. Take a lead in national policy.**
- 3. Drive the delivery of the NSW 2021 Plan.**
- 4. Contribute to an efficient customer focused public sector.**
- 5. Facilitate private sector partnerships and investment.**
- 6. Empower our people to achieve outcomes through clear shared directions, strong internal linkages, high quality technology and career development.**

DEPARTMENTAL CAPABILITIES

To support the directions and achieve the outcomes for 2015, the department needs the following capabilities in the organisation and people.

Capabilities in the organisation

- » Clear decision making
- » Agile people management
- » Information and knowledge management
- » Smart systems (administrative and technological)
- » Transparent resource allocation
- » Quality assurance and risk management

Capabilities in our people

- » Sound understanding of the business of government
- » High level judgement
- » Political nous
- » Deep content knowledge
- » Networking
- » Coaching and developing others
- » Collaboration
- » Confidence
- » Decisiveness

DPC KEY INITIATIVES 2014–2015

Below is the list of key initiatives that have been planned for in the financial year 2014–2015. These priorities are listed against the Six Areas of Focus as identified in the DPC Directions Statement.

1. Lead the government's agenda for change

- Implement the new Cabinet process and supporting systems to lead collaborative practices across government.
- Develop the Rebuilding NSW proposal, the package comprising the revised State Infrastructure Strategy potentially funded by the electricity networks transaction.
- Coordinate a whole of government approach to the balanced development of energy resources including petroleum and gas.
- Facilitate integrated reform across government, which contributes to the sustainability of cities as economic drivers (including the Greater Sydney Commission and reforms in local government, infrastructure and land use policies).
- Facilitate NSW infrastructure projects, including unsolicited proposals and attract potential international investment.
- Drive continuing improvements to accountability and integrity in public administration including reforms to strengthen lobbying regulation, including the Expert Panel on Political Donations.
- Tackle policy issues arising from the Royal Commission into Institutional Responses to Child Abuse to improve the child protection system in NSW and ensure that the response to survivors of abuse is fair and compassionate.
- Develop and implement a coordinated communications strategy to support NSW government announcements, priorities and performance.
- Evaluate programs by facilitating policy advice on existing programs, improving the evaluation frameworks for new programs and work jointly with NSW Treasury to build evaluation capacity across the sector.
- Develop 2015–2019 Regional Action Plans (RAPs), which deliver on the government's agenda of localism to provide outcomes for communities in consultation with agencies and local government.
- Review major events coordination in NSW to better define roles and responsibilities of government agencies.
- Continue to pursue excellence in providing legal and related policy advice that is rigorous, responsive and accurate.
- Work closely with the Department of Education and Communities to introduce the Smart and Skilled reform in the area of vocational education and training.
- Work with the Department of Family and Community Services to implement cross-government Domestic and Family Violence reforms and develop an evaluation framework.
- Work with the Community Relations Commission to rejuvenate the government's Immigration and Settlement Planning Committee to improve services.
- Take a lead in driving major policy reforms to tackle complex social policy issues using innovative approaches particularly in the areas of public health, worker's health and safety, and domestic violence.

2. Take a lead in national policy

- Lead and support the government's response to White Paper on Reform of the Federation.
- Drive multilateral and bilateral collaboration and problem solving to implement the National Disability Insurance Scheme.
- Contribute expertise concerning best practice in better targeting services to Aboriginal people through COAG and the Commonwealth's Empowered Communities initiative.
- Lead reviews of red tape and unnecessary regulation in specific industries for Australia wide consideration through COAG.
- Streamline environmental regulation and assessment processes by finalising a bilateral agreement under the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999*.
- Lead the government's contribution to the development of the National Injury Insurance Scheme.
- Ensure consistent communication across government and identify opportunities to lead the national agenda.

3. Drive the delivery of the NSW 2021 Plan

Support the delivery of housing, jobs and growth infrastructure targets.

Support the development and implementation of new state planning policies and improved planning assessment processes while protecting the environment.

Coordinate the delivery of the 2015 Asian Football Cup and the ICC Cricket World Cup 2015.

Support local government reforms designed to deliver high standards of governance, decision making and performance.

Continue to focus, with NSW Health and the Mental Health Commission of NSW, on improving outcomes in mental health.

Lead, along with NSW Health, efforts to tackle healthy lifestyles and obesity, particularly in children.

Support the ongoing monitoring of the *Bail Act 2013* to ensure that NSW bail laws protect and promote community safety.

Increase the number of visits and input to the Have Your Say consultation process to increase community engagement.

Support the outgoing NSW Governor, Her Excellency Professor the Honourable Dame Marie Bashir AD CVO and the incoming Governor, General David Hurley.

Coordinate research and develop reforms to lift NSW's age specific labour force participation rates to be at least as high as the average of the other states and territories.

Drive improvements in outcomes for vulnerable children and families under the Safe Home for Life and other reforms, and lead cross-government effort to deliver sector wide changes to the child protection system.

4. Contribute to an efficient customer focused public sector

Support Cabinet process reforms that improve the provision of high quality, timely and informed advice to enable effective decision making.

Support the Customer Service Commissioner to deliver a government customer reform strategy to transform the way we engage with our customers and place the customer at the centre of service design and delivery.

Lead the implementation of the Human Services Data Hub to provide a consistent government view of human services delivered in NSW.

Lead, along with Aboriginal Affairs, the rollout of the Local Decision Making in Aboriginal Communities Initiative to provide communities with greater leadership and influence in service design and delivery.

Implement red tape reforms arising from reviews of housing construction, road freight, retail and print manufacturing.

Coordinate information sharing opportunities and forums on key trends for public sector communications practitioners to enhance their knowledge and skills to deliver highly engaging government communications.

Lead sector reform of ministerial correspondence handling to ensure consistent and efficient community communication.

Continue delivering the NSW Event Access and Inclusion Project to allow increased participation of people with disability in NSW events such as Vivid, New Year's Eve and Mardi Gras.

5. Facilitate private sector partnerships and investment

Provide support for implementing infrastructure public private partnerships such as WestConnex, North West Rail, Sydney Rapid Transit and Sydney Light Rail.

Lead implementation of a government strategic commissioning framework and develop resources to stimulate greater innovation in the design and delivery of public services.

Lead development of the social impact investment market in NSW, including entering into new investment models, building market awareness, infrastructure as well as public and private sector capacity and capability.

Bring the NorthConnex unsolicited proposal to financial close and support commencement of the construction work.

Select the best unsolicited proposals from the private sector for consideration by government.

Promote regions by engaging with the NSW Consular Corps to promote areas and leverage the Consular Corps' connection with business, research institutions and government in their home countries.

Strengthen and foster links with academics, the private sector and other NSW government agencies to encourage the use of behavioural insights in NSW public policy.

6. Empower our people

Implement processes to comply with the new *Government Sector Employment Act 2013* (assessment, capability mapping, role descriptions, recruitment, reporting, policies and processes, senior executive structure).

Successfully deliver the relocation of central government (DPC, NSW Treasury and the Ministry) to 52 Martin Place.

Improve DPC's enabling systems including ICT, correspondence management, learning and development, financial analysis and budget savings strategies.

Empower our people through a buddy system, which builds strong connections between regional and metropolitan staff to bring local expertise and perspective.

WHAT WE STAND FOR

SERVICE

We are custodians of good public governance, providing responsive service to the community and government.

LEAD THE GOVERNMENT'S AGENDA FOR CHANGE IN NSW

DPC's strategic priorities are identified in the Directions Statement which outlines Six Areas of Focus. This section of the annual report presents the achievements of DPC as well as those of DLG, OEH and PCO.

Supporting major infrastructure projects

DPC is actively engaged across government to support the delivery of major infrastructure projects such as the North West Rail Link, WestConnex, NorthConnex, Sydney Light Rail, Barangaroo and the Sydney International Convention and Exhibition Centre. All these projects are in construction or procurement phases.

DPC is also contributing to upcoming infrastructure planning, including the development of a new State Infrastructure Strategy and the large range of projects under consideration. DPC also supported infrastructure delivery through the strategic property divestment process where eight government office blocks were sold. This raised over \$550 million for the Housing Acceleration Fund and the delivery of urban growth infrastructure.

Reducing alcohol-related harm

In early 2014 DPC led a cross-government taskforce to develop a new Plan of Management for Sydney's CBD Entertainment Precinct. The plan complements legislative changes announced by the government in January 2014. It also aims to reduce alcohol-related violence and anti-social behaviour by providing safer venues and improving the precinct's management and transport in and out of the area.

The measures introduced in July 2014 will be evaluated for effectiveness after 12 months, and again in 24 months. DPC coordinated the plan's development with representatives from the Office of Liquor Gaming and Racing, NSW Police Force, Ministry for Police and Emergency Services, Transport for NSW, Department of Justice, Department of Planning and Environment, NSW Ministry of Health and the City of Sydney Council.

Supporting the Disability Inclusion Bill

DPC assisted with the introduction of the *Disability Inclusion Bill* into Parliament in May 2014.

The Bill provides a human rights based legislative framework to support and drive social inclusion. It outlines requirements for government departments and local councils to recognise the rights of people with disability as citizens, and plan for their inclusion and participation.

Attracting international investment

DPC established the Office of International Engagement in July 2013 to coordinate efforts across government to attract international investment, facilitate exports and build international relationships that support the growth of NSW's economy.

The office is leading the delivery of the NSW International Engagement Strategy and coordinating the Premier's overseas trade and investment missions. The office created an annual calendar of trade focused ministerial visits to priority markets, attracted international investment in NSW infrastructure, strengthened government to government relationships and began the preparation of detailed strategies for priority markets.

Addressing social disadvantage

In conjunction with government and non-government stakeholders, DPC led a series of early intervention and community engagement initiatives to drive change in the Coledale community in Tamworth.

Intergenerational social disadvantage is evident in Coledale so the initiatives focused on:

- » Revitalising Coledale as a place to live.
- » Building capacity through community engagement and fostering generational change.
- » Integrating service delivery to foster community wellbeing on all levels.
- » Establishing a clear accountability framework for reporting and implementation.

This DPC led approach resulted in improved collaboration between agencies, Non-Government Organisations (NGOs), the local council and university by working together to deliver better community outcomes.

Improving access to government information

The Commission of Audit's Interim Report found that information about government policies and directives was difficult to find, often located across multiple sources and not always up to date.

To address this, DPC partnered with other central agencies to streamline and improve the quality of government information. As part of the project, DPC developed an Administrative Requirements Portal to provide a centralised repository for users to access and search all government administrative requirements quickly and easily. The project also introduced common governance practices for administrative requirements to reduce duplication, conflict and redundancy, and ensure clarity in government administrative requirements.

Smarter scheduling of street works

DPC brought together key stakeholders from local and state government and utility providers to develop a web based tool to improve scheduling of street works. Smarter scheduling of street works reduces waste from duplicated infrastructure works activity and minimises disruption to the public and business sectors.

NSW Land and Property Information developed a prototype tool, which will be accessible by local councils, utility providers and other infrastructure state agencies. Utility providers and Burwood Council successfully trialled a small scale test of the tool in the Burwood Local Government Area (LGA).

Further development of the web based tool and the expansion to other LGAs is underway. The PSC's 'Doing Things Differently' report recognised this project as an example of best practice collaboration.

Responding to the ban on corporate political donations

DPC developed the *Election Funding, Expenditure and Disclosures Consequential Amendment Act 2014* to address accountability gaps following the High Court's decision in *Unions NSW versus NSW*.

DPC also supported the establishment and operation of the independent expert panel led by Dr Kerry Schott to develop options for long term reform of political donations. The panel includes the Hon John Watkins and Andrew Tink and is required to report by 31 December 2014.

Increasing involvement in community consultations

DPC runs the Have your Say website, which is an online platform to publish all consultation programs across government. The site allows users to search by postcode and subject relating to NSW issues. Around 87,200 people visited the site to find more information or take part in consultations.

Facilitating decision making processes

DPC facilitated the government's coordination and decision making processes in the areas of infrastructure, housing supply and natural resource management.

This ensured the successful running of coordination and decision making bodies such as: Cabinet standing committees that deal with infrastructure, housing supply and natural resource management; and CEO level forums that support Cabinet processes. The government's major projects and policy initiatives have been considered and progressed through these processes, enabling implementation of a substantial reform agenda.

87,200

PEOPLE VISITED THE HAVE YOUR SAY WEBSITE

Implementing a strategic vision for social policy

DPC worked with social policy agencies to develop a Social Policy Framework. The framework guides the NSW social policy reform agenda by articulating a coherent and strategic vision for social policy. It also brings together reforms occurring across the justice, health and human services portfolios.

The framework provides a mechanism to guide and drive future reforms. Its strategic directions are based on the NSW 2021 goals to ensure that performance can be tracked and evaluated over time. DPC is driving implementation of the framework through its role as the secretariat for the Social Policy Cabinet Committee.

Responding to child sexual abuse

As chair of the Royal Commission Interagency Coordination Group, DPC led the government's response to the Royal Commission into Institutional Responses to Child Sexual Abuse. DPC positioned the government to respond strategically to issues emerging from the commission and to improve the protection of children.

DPC managed the government's extensive participation in the commission, including:

- » Appearing as a party in six public hearing case studies.
- » Participating in two roundtable forums.
- » Developing whole-of-government submissions to four Royal Commission issues papers.
- » Complying with over 90 summonses.
- » Assisting the commission with a number of research projects.

Protecting vulnerable children and families

DPC chaired a cross-government taskforce to examine options for improving the prevention and early intervention system for vulnerable children and their families.

This included gathering and assessing evidence to identify the key early intervention points for children and families, and the features of an effective service system and best practice programs and services. The government will use this evidence to determine how best to target early intervention effort to better align and integrate services, work with the community sector and direct investment to improve outcomes for vulnerable children and families. This work will build on the government's review of the KTS child protection and wellbeing initiative.

Coordinating the Rotary International Convention

DPC successfully led coordination of the Rotary International Convention from 1–4 June 2014. This was one of the largest conventions ever held in Sydney, drawing 19,000 delegates from 153 countries. The convention is estimated to have injected \$60 million into the NSW economy, and featured NSW NOW branding on all signs and marketing collateral.

TAKE A LEAD IN NATIONAL POLICY

Leading infrastructure policy and funding

DPC led the promotion of infrastructure policy and funding reform through COAG. DPC also prepared the government's submission to the Productivity Commission Inquiry into this policy.

The submission reflects work the government did in improving evaluation and prioritisation of projects, establishing Restart NSW as a dedicated fund for public infrastructure and Infrastructure NSW as an independent adviser to government.

The submission also proposed new ways to improve federal and state government relations in infrastructure funding and delivery.

Advocating for education funding

DPC took a lead role in the government's strong advocacy for increased and sustained federal government funding for educational outcomes under the National Education Reform Agreement (NERA).

NERA implements recommendations from the Gonski school funding review, including a new needs-based funding model that allocates funding according to the needs of students and schools. The NSW government negotiated the agreement with the federal government on the understanding that both governments would provide additional funding for schools until 2019.

Asserting NSW's position

DPC played a key role in communicating the government's contribution to the National Commission of Audit and federal budget process. DPC led the development of the government's submission to the Commission of Audit, as well as the response to the audit's recommendations and impacts for NSW.

Following the Federal Budget in May 2014, DPC led national discussion around the budget's implications for National Partnership Agreements, particularly in relation to health and education. The government also hosted a Council of the Australian Federation

meeting, which highlighted the impact of the budget on NSW. This work supported early efforts to formulate the government's position on national issues to be raised through the White Papers on Reform of the Federation and Tax Reform.

Reforming the Federation

In collaboration with NSW Treasury, DPC led comprehensive work to help the government prepare for the federal government's White Paper on the Reform of the Federation. This process will continue until the end of 2015.

Improving labour mobility

DPC is leading the transition from the National Occupational Licensing System (NOLS) to Automatic Mutual Recognition (AMR). AMR is a simpler, decentralised approach to improving labour mobility. This approach promotes labour mobility by enabling recognised occupational license holders (such as plumbers and electricians) from other states and territories to work in NSW without needing to obtain a new licence.

COAG agreed to not proceed with NOLS in December 2013, and a Bill to implement AMR was introduced to the NSW Parliament in May 2014. DPC continues to lead negotiations with other states and territories to formalise cross border cooperation on AMR.

Streamlining environmental approvals

DPC and the Department of Planning and Environment cluster negotiated bilateral agreements with the federal government to deliver both the national and NSW Governments' commitment to streamline environmental approvals. The negotiation will increase certainty for industry and reduce the time taken to assess and approve projects while also maintaining high environmental standards.

An assessment bilateral agreement was finalised between NSW and the Commonwealth in December 2013. A draft bilateral agreement was publicly exhibited in May 2014 and will be finalised later in 2014. Once final, most projects will not need a separate approval from the federal government.

Caring for the injured

DPC and NSW Treasury are leading the government's contribution to developing and implementing the National Injury Insurance Scheme (NIIS). The scheme will provide lifetime care and support to people who are catastrophically injured in accidents. NIIS is a federated model of individual states and territories' schemes.

The Lifetime Care and Support Scheme and WorkCover in NSW cover motor vehicle and workplace accidents. The government will use both to meet NIIS requirements for these types of accidents.

**NSW WILL RECEIVE AN
ADDITIONAL
\$112.5m
FOR WATER REFORM**

Implementing water reform

DPC worked with NSW agencies through the second half of 2013 to ensure a number of outstanding issues for the state were addressed. This included prioritising water infrastructure programs and improving funding to assist communities affected by the Murray-Darling Basin Plan.

The NSW Premier signed the Intergovernmental Agreement (and National Partnership Agreement) in February 2014, under which NSW receives an additional \$80 million over eight years. A further \$32.5 million was secured to assist local communities.

Supporting alcohol-related policy priorities

DPC continued investigating opportunities for addressing alcohol-related harm from a whole-of-government perspective. This supported the government's continuing achievement in its NSW 2021 targets that relate to drinking and violence.

DPC explored options for bringing the federal, state and territory governments together to develop coordinated approaches to alcohol policy issues. The department also coordinated advice across agencies on alcohol-related reform initiatives and parliamentary inquiries at NSW and national levels.

Negotiating the NDIS

DPC continues to lead NSW's work in preparing for the National Disability Insurance Scheme (NDIS). A strong partnership with Department of Family and Community Services (FACS) and NSW Treasury drives NSW's input into NDIS negotiations, particularly with the NDIS trial and full scheme design.

The government has a strong leadership role in this space, working with other jurisdictions and the federal government to ensure the scheme is sustainable and supports the best possible outcomes for people with disability.

Empowering communities

DPC, along with Aboriginal Affairs, is a lead contributor to designing the federal government's empowered communities service delivery model. The model draws on NSW's experience with the local decision making OCHRE reform initiative. OCHRE is the government's plan for Aboriginal affairs, and stands for opportunity, choice, healing, responsibility and empowerment.

DPC contributed expertise concerning best practice in codesign of services in partnership with Aboriginal people. DPC also led discussions on innovative funding options and models to support this reform.

Enhancing outcomes for Aboriginal people

DPC provided advice to inform the Premier's negotiating position at COAG around best practice approaches to enhancing outcomes for Aboriginal people based on NSW's OCHRE reform. This culminated in COAG's agreement in May 2014 to a partnership approach with Aboriginal communities. These measures aimed to improve school attendance and agreed to share responsibility between governments and communities for setting priorities and developing solutions.

Making it easier to adopt overseas children

NSW has taken the lead in driving the policy for intercountry adoption reform to become a national priority.

In May 2014 COAG agreed in principle to provide a new national intercountry adoption service for all Australians wanting to adopt a child from overseas. DPC worked with FACS to provide advice to COAG.

DPC will continue to work with the federal, state and territory governments to ensure the COAG commitment is met.

Contributing to childcare and early learning

DPC worked with DEC to drive development of a NSW submission to the Productivity Commission Inquiry into childcare and early learning.

The submission made the case for a sustainable, flexible early childhood system that supports quality early childhood education.

DRIVE THE DELIVERY OF THE NSW 2021 PLAN

Leading reporting on NSW 2021

NSW 2021 is the government's 10 year strategic plan to guide policy and budget decision making. The plan provides a rigorous performance framework for the NSW public sector, managers, front line staff and ministers. It also underscores the government's commitment to effectiveness, efficiency and transparency by setting clear and measurable goals, targets and outcomes.

DPC coordinated the preparation and publication of the 2013 NSW 2021 Measures Report and 2014–2015 Performance Report. DPC also worked with agencies to improve performance where it had not been trending in accordance with planned targets.

Meeting ageing population challenges

DPC launched the North Coast Ageing Strategy in June 2014. The strategy is an identified action in the North Coast Regional Actions Plans. DPC and Office for Ageing (a division of FACS) led a regional leadership task group to develop the strategy and implementation plan.

The strategy identifies population ageing issues impacting the North Coast. It also describes how the government, non-government and private sectors will work with people at different life stages to help them remain healthy and independent. The strategy identifies actions at regional and local levels. It considers priority areas such as improved access to quality services like public transport and health, providing appropriate housing, employment options, and social inclusion opportunities.

Supporting disability

On 1 July 2013 the government launched the NDIS in NSW in the Hunter region. So far there are nearly 2000 people with individualised funding packages that provide the disability support they need.

DPC coordinated and drove the work needed across NSW to ready the state for the NDIS. DPC also ensured it was implemented in NSW as seamlessly as possible and that the agreed commitments by federal and NSW governments were met.

Reviewing advertising campaigns

The *Government Advertising Act 2011* stipulates that all advertising campaigns exceeding \$50,000 are required to be independently peer reviewed. Peer reviewers are drawn from communications staff across the public sector and reviewers do not work in the same department as the team responsible for the submission.

DPC coordinates and chairs the reviews, as well as publishes a final report on the reviews. During the year, 65 separate peer reviews were successfully completed. Peer reviewers verify compliance with legislation and policy and also ensure each campaign is as effective as possible, cost efficient and integrated with other related government communications.

DPC ESTABLISHED THE **\$1.1m** BLUE MOUNTAINS BUSHFIRE GRANTS PROGRAM

Assisting bushfire recovery

DPC established the \$1,070,500 Blue Mountains Bushfire Grants Program in May 2014 to support the Blue Mountains community following the devastating bushfires in October 2013.

The program is jointly funded by the federal and NSW governments, and was developed in consultation with the local community and key stakeholders.

The program will deliver projects to assist the social and economic recovery of the Blue Mountains community and improve resilience. Projects will begin next year.

Investing in critical NSW infrastructure

DPC supports the Premier and Cabinet in driving new investment in critical infrastructure. To do this DPC is involved in developing infrastructure strategies and plans, as well as key projects such as WestConnex, NorthConnex, North West Rail and Sydney Light Rail.

DPC is a member of the steering committees overseeing the sale of NSW's electricity generators and the long term lease of the Port of Newcastle. DPC assisted in recycling NSW's assets into Restart NSW.

Boosting urban productivity

DPC developed an urban productivity agenda that recognises Sydney needs to be more productive, efficient, liveable and sustainable if it is to remain competitive. DPC is also working across government to implement this agenda, which is in line with NSW 2021 and focuses on the following areas.

- » Improving integration of metropolitan planning with transport infrastructure.
- » Supporting UrbanGrowth NSW implement the Major Urban Renewal Portfolio.
- » Implementing planning reforms around regional planning and infrastructure delivery.
- » Providing more efficient land release and housing supply.
- » Delivering better access to and utilisation of public transport.
- » Creating a Greater Sydney Commission.
- » Improving utilisation of existing infrastructure and assets.
- » Reforming local government.

Coordinating state protocol

DPC coordinated NSW state protocol services, which included eight ceremonial occasions encompassing state funerals and memorial services, 30 state hospitality events, 26 courtesy calls for the Premier and Deputy Premier, and 758 conferences and functions in the state reception rooms of Governor Macquarie Tower.

There were also 30 guests of government and official visits, many of which had strong media interest and media programs coordinated by DPC. These included HRH Prince Harry of Wales, TRH The Danish Crown Prince and Princess, and TRH The Duke and Duchess of Cambridge.

DPC provided support for the Premier's overseas trade missions to India in December 2013, Japan and the Philippines in February 2014, and China in April 2014. DPC also provided support for the Deputy Premier's overseas visit to Japan in October 2013 when he travelled as the Premier's representative.

Releasing guidelines for regulators

DPC released guidelines on how to implement an outcomes and risk based approach to regulation. This is a major milestone, reflecting extensive collaboration with the state's regulators to improve regulatory practice.

The approach aim to reduce the regulatory burden on compliant businesses and individuals, and generate cost savings that contribute to the government's \$750 million red tape reduction target. Regulators will focus their regulatory activity on those that present the highest risk to compliance, and align activity to defined outcomes.

The approaches form part of the Quality Regulatory Service Initiative, which the government endorsed in late 2013 as part of its response to Industry Action Plans under the NSW Economic Development Framework. NSW regulators and business groups support the guidelines.

Promoting healthy lifestyles

DPC played a central role in implementing the NSW Healthy Eating and Active Living Strategy 2013–2018, launched in November 2013.

The strategy provides a whole-of-government framework to promote and support nutrition and physical activity in NSW and to reduce the impact of lifestyle related chronic disease.

The strategy will deliver a range of programs to promote better health and wellbeing outcomes for NSW children, adults and older people. DPC is co-chairing the strategy's Executive Implementation Group to oversee the delivery of its key initiatives.

Supporting community events

DPC coordinated the government's support for major public events that enable the community to participate in cultural, creative, sporting and recreational activities. Many of these events had strong media interest with DPC supporting and facilitating media coverage. Key events included the International Fleet Review, Sydney New Year's Eve and the Vivid Sydney Light Show. Vivid expanded into new precincts in 2014 and drew an estimated crowd in excess of 1 million over 18 nights.

DPC coordinated 10 Community Cabinet visits at metropolitan and regional locations across NSW. These provided an opportunity for community members to raise local issues directly with the government's decision makers. For example, at the Maitland Community Cabinet, DPC coordinated over 160 personal meetings with local stakeholders and Cabinet ministers.

Keeping people healthy

DPC worked with NSW Health to develop strategies that supported NSW 2021 targets. This also helped optimise community health and hospital sector performance, plus ensured a focus on the achievement of outcomes.

Improving accessibility at events

DPC and FACS continued the successful NSW Event Access and Inclusion Project to increase the number of people with disabilities participating in events across NSW.

The project extended to regional events including the World Rally Championships in Coffs Harbour and the Parkes Elvis Festival. The project continued its strong presence at major events like Sydney New Year's Eve and the Sydney Gay and Lesbian Mardi Gras parade.

The number of people with disabilities attending these events more than doubled from previous years due to additional access considerations being implemented. This included a wheelchair accessible buggy to transfer guests from Sydney CBD transport hubs to the event.

A project highlight was working with Vivid Sydney organisers to introduce audio descriptions that enabled people with vision impairment and partial sight to appreciate the light installations.

Preventing driver disqualifications

DPC helped develop the government's response to the NSW Legislative Assembly Committee on Law and Safety's inquiry into driver licence disqualification reforms.

The government supported the majority of the committee's recommendations, which include providing an incentive for disqualified drivers to remain offence free with the possibility of having their disqualification period removed or reduced (subject to public safety safeguards).

Improving confidence in the justice system

DPC provided input into reforms to improve community confidence in the justice system. This included better use of victims' impact statements in murder cases, through the *Crimes (Sentencing Procedure) Amendment (Family Member Victim Impact Statement) Bill 2014*, and reforms to permit recording and broadcasting certain judgments given in open court, through the *Courts Legislation Amendment (Broadcasting Judgments) Bill 2014* currently in parliament.

Involving local communities

DPC examined the key enablers of localisation reform and the potential challenges in devolving authority from the centre to more local bodies. This advanced the government's commitment to involve local communities in decision making on policy, services and projects.

The examination identified key capabilities and characteristics required to implement and maintain local decision making. DPC undertook a literature review of localisation reforms in Australia and overseas as well as a review of the localisation reforms undertaken by different government agencies.

The lessons learned will ensure ongoing and future localisation processes are based on best practice in Australia and overseas.

Protecting the most vulnerable

DPC worked with FACS and NSW Treasury on the Keep Them Safe (KTS) child protection and wellbeing initiative Senior Officer's Group. DPC was tasked with developing proposals that resulted in a \$342 million two year extension to KTS.

This funding will help ensure that vulnerable children and families continue to receive support while the government completes a comprehensive review of KTS, and prevention and early intervention services.

Reducing crime

DPC oversaw the Sobering Up Centres Trial, evaluation of the mandatory Sydney CBD centre and the two non-mandatory centres in Sydney's eastern beaches and Wollongong. Feedback from the trial indicated that the centres worked to protect intoxicated people at risk of becoming victims of crime, and allowed police time to concentrate on crime prevention and detection.

Based on the evaluation, the Sydney CBD centre trial is extended to 1 July 2016. Operation of two non-mandatory centres finished 30 June 2014.

Addressing domestic violence

DPC contributed to developing the government's policy on addressing the domestic violence It Stops Here reforms. The reforms aim to improve domestic violence victim's safety and hold perpetrators to account.

It Stops Here is a whole-of-government effort and invests in prevention, a stronger criminal justice response, new approaches to supporting victims through coordinated services, and building the workforce's capacity to better respond to victims' needs.

CONTRIBUTE TO AN EFFICIENT CUSTOMER FOCUSED PUBLIC SECTOR

Enabling effective decision making

DPC's Government Secretariat branch supports the Premier and Cabinet, Cabinet Committee and Executive Council processes. Cabinet Secretariat managed the operations of 162 Cabinet and Cabinet Standing Committee meetings dealing with more than 1,200 matters and a further 53 Executive Council meetings considering over 1,000 matters. DPC's provision of high quality and timely advice enabled effective decision making across government.

Promoting better services and innovation

DPC leads a number of programs to promote high standards of services and innovation. For example the Unsolicited Proposals Framework allows NGOs to propose alternative or unconsidered solutions to public services. Similarly, DPC is supporting the Premier to further promote innovation through dedicated programs, allowing NGOs to participate in delivering solutions, particularly in high priority policy areas.

DPC worked with NSW Treasury, the Office of Finance and Services and PSC to develop a strategic commissioning framework. This included

the release of a consultation paper, workshops with NSW agencies, and preparation of a draft strategic commissioning and contestability toolkit for agencies. The purpose of strategic commissioning is to focus on services to customers, and less on the inputs and processes traditionally used by government agencies.

Launching the Advertising and Digital Services Scheme

In May 2014, following a comprehensive open tender process conducted by DPC, the panel contract for accredited advertising agencies was replaced with a new whole-of-government contract. This was specifically designed to address changing demands of government departments.

Following extensive consultation with departments on their needs, the remit and scope of the accreditation panel was broadened and replaced with the Advertising and Digital Services Scheme.

While availability of traditional advertising agency creative services remains critical to some departments, delivery of government information through new and cost efficient digital channels is becoming increasingly important. With hundreds of potential suppliers in the market, departments now have access to providers with proven expertise in this area.

Evaluating performance

The Commission of Audit recommended that policy programs specify requirements for program evaluations, and that NSW public sector agencies conduct periodic evaluations of their smaller programs and pilots.

DPC implemented a whole-of-government Evaluation Framework to support evidence based policy and decision making, and build an evaluation capability across NSW public sector agencies.

DPC also developed an Evaluation Toolkit to assist NSW public sector managers and evaluation teams choose appropriate evaluation methods to meet the framework's requirements. The framework and toolkit will ensure government programs remain relevant, effective and efficient.

Reviewing Lord Howe Island land allocation

DPC is leading a review into the land allocation and tenure arrangements on Lord Howe Island. The government commissioned Hon Ken Handley AO QC to undertake this review.

Land allocation and tenure is an ongoing issue on the island because all land is Crown land, land availability is limited and restrictions apply to who can lease land. These measures are in place to meet one of the key objectives of the *Lord Howe Island Act 1953*, which is to support a permanent and committed residential community on the island.

Office of the Governor of NSW

DPC incorporates the Office of the Governor of NSW, which supports the Governor of NSW, in the execution of constitutional, ceremonial and community functions. It also manages the property, collection, grounds and operations of the Government House estate.

With other government agencies, the Office of the Governor successfully coordinated 53 executive council meetings, 92 courtesy calls, 47 Vice Regal receptions/lunches/dinners, 29 investiture and awards ceremonies, 22,292 participants in tours, and 144,292 visitors to the grounds.

Government House had a major refurbishment enabling the Governor to live on site after an absence of 17 years.

In June 2014 the Premier announced that Governor Bashir's commission as the second longest serving Governor of NSW was to end, and that General David Hurley AC DSC would become the next Governor of NSW.

IN 2013–2014 THERE WERE
22,292
TOUR PARTICIPANTS AND
144,292
VISITORS TO THE
GOVERNOR'S GROUNDS

Improving correspondence handling

In Australia and overseas most contemporary governments and businesses use web forms to streamline the receipt and processing of electronic correspondence.

In September 2013 DPC introduced a Contact the Premier web form and a Correspondence and Email Policy to improve correspondence handling and management. The form features a clear, structured design, allowing correspondents to submit enquiries or invitations along with multiple attachments. The policy links to the form to inform correspondents about timeframes and how their correspondence will be handled. The form has improved processing efficiency and handling with response times reduced from an average of 10 to two business days. Approximately 1,800 items of correspondence are registered each month.

Migrating the boards and committees database

DPC's board and committee database was migrated into the NSW Government Organisational Overview (GOView). The database contains details of around 500 NSW Government boards and committees and around 4,000 members. GOView provides a single source of truth on the number and types of government sector entities (including boards and committees), statutory positions and position holders and the relationships between the entities.

Encouraging workplace giving

Each cluster across the NSW public sector is participating in the Workplace Giving Program. The program encourages employees to donate some of their pay to a charity.

Seven clusters launched the program over the last 12 months with the remaining two (NSW Department of Trade and Investment and Transport for NSW) expected to do so by the end of 2014.

DPC's formal role in providing sector-wide support and coordination of the program ended on 30 June 2014. Most clusters have implemented their programs and will continue to manage them independently.

Improving the delivery of services

DPC implemented the first phase of a Human Services Data Hub. The hub is a single, central store of human services data that shows where services are delivered, their nature and value, and who they are delivered by.

Each year the government provides billions of dollars to more than 2,000 organisations to service over 7,000 agreements for the delivery of human services. Once fully operational, the hub will allow whole-of-government strategic decision making and improve the effectiveness of human service delivery.

Understanding customers better

DPC works with the Customer Service Commissioner to support the next phase of customer reforms. This includes developing a better understanding of what satisfies and dissatisfies the government's customers and helping identify opportunities for improvement.

Insights from the reforms will inform the development of a whole-of-government customer reform strategy.

Baselines have been set for targets under NSW 2021 Goals 30, 31 and 32 relating to customer satisfaction, ease of access to government information and public participation in government decision making. The government will use these baselines to measure progress going forward.

Protecting Aboriginal children

DPC oversaw the government's response to the NSW Ombudsman's audit of the Interagency Plan to Tackle Child Sexual Assault in Aboriginal Communities.

This focused on ensuring the intent of the Ombudsman's recommendations are addressed, and improving core government services that support child protection and wellbeing in Aboriginal communities.

FACILITATE PRIVATE SECTOR PARTNERSHIPS AND INVESTMENT

Promoting regions internationally

DPC has developed a program of structured engagement with the NSW Consular Corps' to promote Sydney and regional NSW to key international stakeholders. The program also leverages NSW Consular Corps' strong connections to business, research institutions and government in their home countries.

DPC coordinated visits to Western NSW, the Hunter and the Illawarra with the Department of Foreign Affairs and Trade and the Dean of the NSW Consular Corps. The visits underlined to NSW based international representatives the opportunities in regional NSW and led to investment outcomes, as well as promoting NSW's regions overseas.

Growing social investment in NSW

DPC formed a joint project team with NSW Treasury to further explore opportunities for the private sector to contribute to improving social services and outcomes for families and individuals. The project is in the research and consultation phase.

This phase included a social impact investment forum that DPC, NSW Treasury and Impact Investing Australia hosted. The forum featured international expert Sir Ronald Cohen, Chair of the International Social Impact Investment Taskforce and a leader in the field of social investment for over a decade.

DPC also supported implementation of the Newpin and Benevolent Society bonds, working with NSW Treasury and FACs on the pilot and evaluation steering committees.

Progressing infrastructure projects

DPC published a six month update on projects committed in the State Infrastructure Plan and other major projects from the NSW Budget. This update detailed the status of each project to keep industry and the public informed on how the government's infrastructure investments were progressing. The update also provides input for businesses seeking to pursue work.

Planning infrastructure in the Hunter

DPC initiated a multiagency project group to ensure that infrastructure plans were developed and aligned to boost economic capacity in the Hunter region. The group will also provide a comprehensive picture of regional land use and identify infrastructure needs for the future.

These needs include strategic corridors for the movement of people, freight and goods, the Newcastle Urban Renewal including light rail, Newcastle University city campus construction, National Broadband Strategy rollout, stage one construction of the Pennant Street Bridge Glendale, and Newcastle Airport expansion.

Developing the Warnervale town centre

After many years of planning, a new town centre is beginning to emerge in Warnervale. The new Warnervale Town Centre is part of the Central Coast Regional Economic Development and Employment Strategy. Stakeholders include Wyong Shire Council, Woolworths, UrbanGrowth NSW, multiple land owners and numerous state agencies.

DPC chairs the Town Centre Steering Committee, which oversees the project and manages issues affecting the development. Effective coordination has enabled critical planning applications to be approved and major construction works are underway.

Managing unsolicited proposals

DPC oversees administration of the Unsolicited Proposal Initiative (USPs), which achieved the following outcomes:

- » Completed assessment of 39 USPs, of which five progressed to stage two.
- » Finalised agreements with Crown for the Crown Resorts USP at Barangaroo, which will deliver over \$1 billion in revenue for NSW.

- » Facilitated the NorthConnex USP, which will see a missing link in Sydney's motorway network between the M1 and M2 built.
- » Progressed the Macquarie Park USP, which includes the proposed construction of a new town plaza and transport interchange facility to improve urban amenity, capacity and connections between Macquarie Shopping Centre, Macquarie University Train Station and Macquarie University.
- » Completed a review and updated the USP process.

The NorthConnex Project is proceeding as a USP and received a commitment between the parties and public consultation in the lead up to seeking consent. It was a private sector proposal and is majority funded by private sector proponents.

DPC SECURED
\$2.9m

**IN SPONSORSHIP REVENUE
FOR AUSTRALIA DAY 2014**

Securing sponsorship revenue

DPC secured \$2.9 million in sponsorship revenue (cash and in-kind) for Australia Day 2014, a 20 percent increase from the \$2.4 million secured in 2013.

Revenue was generated by acquiring sponsors for Australia Day events and programs, and through annual memberships of Corporate Club Australia.

Seventy five organisations supported the program, with the private sector comprising 77 percent of the organisations and contributing \$1.6 million to the total revenue (up from \$1.3 million in 2013).

The increase in sponsorship revenue was a direct result of the relevance and appeal of the program to the corporate market, which saw organisations including Telstra and Qantas financially support the day.

Supporting Northern Beaches Hospital

The government is building the Northern Beaches Hospital (NBH), a world class health facility at Frenchs Forest that utilises leading technologies to deliver the highest quality care.

NBH will function as an integral part of the Northern Sydney Local Health District (NSLHD) network and deliver services for publicly funded and private/compensable patients. NBH will begin operations in 2018 and provide surgical, medical, paediatric, obstetric and inpatient mental health services, a large emergency department and state-of-the-art digital technologies.

NBH is part of the larger Northern Beaches Hospital Services Redevelopment Project, which also includes development of community health facilities in the NSLHD.

DPC is an active member of the key oversight and evaluation committees for the project.

Supporting and facilitating events

DPC worked with corporate owners of events and coordinated whole-of-government operational and communications support for their events. Significant events included:

- » Major League Baseball attracted more than 100,000 people during the four days at the Sydney Cricket Ground. Over 25,000 people arrived from interstate or overseas.
- » The world's largest timed fun run, The Sun-Herald City2Surf, attracted more than 80,000 people.
- » Coates Hire World Rally Championships in Coffs Harbour (the Australasian leg of the World Rally Championship) attracted international media coverage with a cumulative local audience in excess of 48,000.

DPC administers the government's user charges policy for events, which classifies eligible events as hallmark or commemorative and can confer a waiver or reduction of government agency user charges. Classified events include the Tamworth Country Music Festival, Sydney's Chinese New Year Parade, the Mardi Gras Parade, the Royal Easter Show and the Australian Open of Surfing.

Community service delivery

DPC led development of the government's response to the Legislative Assembly Committee on Community Services' interim and final reports on Outsourcing Community Service Delivery to NGOs.

As outlined in the government's response, DPC will establish and chair a new cross agency NGO Service Delivery Working Group. The working group will consider specific issues raised for further investigation by the inquiry.

The group will also examine developing the NGO human service delivery market process more broadly. This ensures that vulnerable individuals and families will continue having access to high quality community services that are delivered in genuine partnership with a strong and innovative NGO sector.

Supporting migrants

DPC established a more robust and collaborative partnership with the Community Relations Commission (CRC). This included revitalising the policy agenda for the NSW Government Immigration and Settlement Planning Committee (co-chaired by DPC and the CRC). The agenda aimed to better target migrants and support their needs.

EMPOWER OUR PEOPLE TO ACHIEVE OUTCOMES

Facilitating government collaboration

DPC led 11 Regional Leadership Groups across NSW to facilitate strong and meaningful links between senior regional leaders of each cluster of government in each region. This helped the leaders understand government priorities and work with each other to resolve regional or state issues.

This whole-of-government approach empowered DPC's people to join up service delivery in the regions to deliver on the government's priorities. It also provided a mechanism for central government to readily inform and seek the views of regional leaders.

DPC established Regional Leadership Networks (RLN) to bring together local, state and federal government representatives at a regional level to collaborate and deliver projects.

Examples of projects delivered under the RLN framework are the Smarter Scheduling of Street Works and Sydney Metropolitan Industry Agglomeration projects.

Increasing staff learning opportunities

DPC is committed to developing its staff and has a strategically targeted and integrated approach to learning and development, which is underpinned by its learning and development framework.

During the year opportunities for participating in learning and development activities were increased through centrally funded programs and a series of Lunch 'n' Learn events.

The centrally funded programs aimed to improve staff capacity were plain English writing, critical conversations, combat bullying and the 360 degree executive and senior leaders' development program.

A series of Lunch 'n' Learn events designed as short, sharp sessions were delivered over lunch breaks with multiple offerings for staff to attend. The programs included a health and wellbeing series, leadership and management series, individual performance series, and diversity and culture programs.

Informing staff about decision making

DPC hosted a series of information sessions for DPC, NSW Treasury and agency staff on the Cabinet process, the operation of Committees, as well as on COAG and the briefing process.

These sessions were designed to assist staff in understanding the importance of high quality, succinct and evidence based advice in government decision making.

Establishing Communities of Practice

DPC established Communities of Practice for program evaluation and governance matters. These communities provide a forum for encouraging cross portfolio collaboration on governance and program evaluation issues and challenges. They also encourage opportunities for sharing experiences, learning from others and developing best practices in these fields.

Developing staff

DPC staff each have performance development plans and are encouraged to take up opportunities for development, including secondments, rotations and opportunities to act in higher roles.

Staff have taken up these opportunities with secondments outside DPC to Infrastructure NSW, the Reform of the Federation Secretariat, Planning and Environment and Urban Growth NSW.

Developing leadership

DPC's senior leaders have participated in a development program involving 360 degree feedback, supported by coaching and development plans.

Realigning recruitment

DPC formed the Productivity and Sustainability Group in 2013 as part of its reorganisation. This has allowed opportunities for merit based appointments and reconsideration of roles and focus of branches and staff.

Moving offices

Along with NSW Public Works and the Government Architect's office, DPC lead the relocation of central government to new premises at 52 Martin Place, Sydney. The move also includes the ministry and NSW Treasury.

DPC is investing in an activity based working (ABW) environment at the new premises. ABW recognises that through the course of a day staff have many different work activities to complete - some require high levels of concentration and some require high levels of collaboration. ABW will empower staff with freedom to choose different types of workspaces to suit different types of work activities. It will involve a new physical environment with innovative workspaces and new technology tools to support mobile working. Approximately \$90 million in avoided costs is expected over the 12 year lease.

Implementing a new induction program

DPC's induction program was reviewed and redesigned to meet the needs of its future workforce and to reflect the department's culture. The new program is contemporary and designed to engage the hearts and minds of new staff.

The new, blended induction program consists of an engaging and interactive digital online component and a face-to-face workshop.

Empowering frontline managers

DPC completed a research project to understand the operating environment of frontline managers within the public sector, and to help respond to the needs of their local communities.

DPC will incorporate the findings from this Empowering Frontline Managers Project into its broader service delivery reform work. This work aims to drive innovation, customer focus and improve outcomes across the public service.

Partnering with regional coordination

DPC worked with the Western NSW region to progress collaborative practice, resource use and service redesign in the area. DPC supported local decision making reforms in the Murdi Paaki region which required a coordinated response from government to address community priorities.

WHAT WE STAND FOR

RESPECT

We are collaborative and courteous in our dealings with internal and external colleagues and stakeholders.

DIVISION OF LOCAL GOVERNMENT

DLG strives to work collaboratively with the local government sector and is the key advisor to government on local government matters. The division's organisational values are integrity, innovation and excellence, leadership, collaboration, equity and fairness.

Improving local government

Local government sector representatives and DLG began working on a new Local Government Performance Measurement Framework. The framework aims to move away from compliance reporting and instead focus on a small set of core, comparable indicators. These indicators will help councils drive continuous improvement and assist communities to understand their council's performance.

DLG established a steering committee to oversee this project, and invited feedback from councils and the community on a discussion paper. The project follows calls from the government and councils for a better, more consistent approach to measuring council performance.

Promoting better practice

DLG also undertook six Promoting Better Practice reviews, to help strengthen the local government sector by assessing performance and promoting a culture of continuous improvement. The reviews are designed to act as a 'health check' examining the extent to which there are appropriate strategies, policies, procedures in place in the areas of planning, governance, service delivery and financial sustainability.

Tackling the infrastructure backlog

To tackle the infrastructure backlog DLG continued to roll out rounds one and two of the Local Infrastructure Renewal Scheme. The scheme provides councils with a subsidy on interest costs to reduce borrowing expenses, and encourages them to appropriately use debt to fund infrastructure projects. So far the scheme has unlocked more than \$680 million worth of investment through 138 local infrastructure projects.

DLG also progressed round three of the scheme, which calls for and begins to assess applications received by councils. To support the scheme's roll out DLG established an eportal enabling councils to electronically submit applications and process claims.

Developing government response to reform

DLG coordinated public consultation on the final reports of the Independent Local Government Review Panel and Local Government Acts Taskforce.

The government released the final reports in January 2014 for public consultation. During the consultation DLG began analysing feedback to inform the government on its response. DLG also ran workshops and meetings with key stakeholders and councils across NSW.

Fostering responsible pet ownership

To support and promote responsible pet ownership, DLG assisted the government in preparing its Government Response to the Companion Animals Taskforce.

Announced on 3 February 2014, the response is based on the taskforce's expert recommendations and analysis of more than 5,300 submissions received through the public consultation process. The taskforce made 38 recommendations.

DLG also developed legislative measures to include a new menacing dog category and tougher penalties against irresponsible ownership leading to a dog attack. These new laws began in November 2013.

Promoting the swimming pools register

DLG worked with Royal Life Saving NSW to promote the NSW Swimming Pools Register, and encouraged all NSW pool owners to register their pools.

DLG supported councils by establishing the register, and provided guidance on the council inspection programs by holding information sessions across NSW.

DLG UNLOCKED MORE THAN
\$680m
 WORTH OF INVESTMENT IN
138
 LOCAL PROJECTS

Addressing dysfunctional councils

DLG released and implemented the Early Intervention and Performance Improvement Framework. The framework enables the Minister for Local Government and DLG to take stronger action when a council is dysfunctional or failing to comply with its obligations.

As a result DLG supported the Minister for Local Government with a Suspension Order for Central Darling Shire Council.

Communicating with the public sector

To better facilitate communication with the public sector, DLG developed a monthly ebulletin called Locality.

DLG also reviewed its circular to councils templates, to ensure they were readily accessible and easily understood. With these principles in mind, DLG also began redesigning its website.

OFFICE OF ENVIRONMENT AND HERITAGE

OEH's vision is that the environment and heritage is valued, protected, enjoyed and supports a prosperous and healthy NSW.

OEH achieved results throughout NSW in keeping with the seven strategic goals in its newly launched Corporate Plan 2014–2017.

The plan's goals are to:

- » Ensure vibrant natural assets for the health and prosperity of NSW.
- » Protect, celebrate and share our heritage.
- » Support economic development without devaluing the environment.
- » Help save the environment and money through efficient use of resources.
- » Encourage communities to enjoy their national parks and value their local environment.
- » Build resilience to climate change and environmental hazards and risks.
- » Become a more agile, effective, innovative and customer focused organisation.

This plan links the government's commitments and priorities, including NSW 2021, with OEH's divisional and group business and corporate enabling plans.

On 23 February 2014 the functions and staff of OEH were transferred from DPC. On 24 February 2014, under the Administrative Arrangements Order 2014, OEH was established as one of 52 agencies under the *Government Employment Sector Employment Act 2013*. This report presents information from 1 July 2013 until 23 February 2014 when OEH was an office of DPC. As a Public Service Executive Agency, OEH produced a separate Annual Report covering the period 24 February 2014 to 30 June 2014, as defined by financial and statutory requirements.

Protecting our natural environment

OEH ensures vibrant natural assets prosper throughout NSW by partnering with local communities and actively managing valued ecosystems, landscapes and places.

OEH continued to support local community groups in protecting their local environment through Community Bush Regeneration grants totalling more than \$8 million over six years. This is part of the more than \$12 million provided to support local communities to deliver bush regeneration outcomes.

A government priority action identified in the NSW 2021 Plan, the Green Corridors Program, protects strategic areas of high conservation value vegetation and ensures more green spaces across Sydney and NSW.

Conserving heritage

OEH is committed to working with Aboriginal people and local communities to:

- » Promote, protect and share Aboriginal culture and heritage.
- » Conserve, revitalise, care for and enjoy our historic heritage.

In July 2013 OEH brought together responsibilities for historic and Aboriginal cultural heritage into a single division based on a regional delivery model. OEH began developing an overarching NSW Heritage Policy to provide clear directions and priorities, including developing a framework to encourage adaptive reuse of heritage items for a mix of uses such as residential and business purposes.

OEH worked towards furthering the government's commitment to reforming Aboriginal cultural heritage legislation. This reform is designed to create a new system that respects and protects Aboriginal cultural heritage for future generations, while providing clear and consistent processes for economic and social development in NSW. The government is committed to broad and extensive public consultation on this legislation. Public workshops were held in 2011 and 2012, and a third phase of consultation was held between 29 September 2013 and 28 March 2014.

Increase access to state assets

OEH promotes recreation, tourism and regional economic development through managing national parks and reserves in NSW. Some of the highlights included:

- » New Year's Eve celebrations in Sydney Harbour National Park included two new events with nearly 10,000 visitors. Clark Island and Bradleys Head in Sydney Harbour National Park offered some of the best views of Sydney's New Year's Eve fireworks spectacular.
- » Eight Sydney Harbour National Park precincts supported the International Fleet Review's (IFR) events over seven days. The IFR commemorates 4 October 1913 when flagship HMAS Australia led the Australian Fleet into Sydney Harbour for the first time.
- » The National Parks and Wildlife Service (NPWS) Wild About Whales annual campaign encouraged visits to coastal parks in NSW. This program supports regional business during the low tourism season.
- » The NSW National Parks Pocket Guide, which profiles around 230 parks and reserves, was launched to further encourage visits to NSW parks and reserves.

Reducing pests

Invasive species are one of the greatest threats to biodiversity in Australia. OEH is committed to managing invasive species on national parks and nature reserves where native animals and plants are the most threatened, other park values are affected, or where pests are likely to affect neighbouring lands. OEH also develops and implements strategies for pests and weeds that threaten biodiversity across NSW.

NPWS partnered with experienced and skilled volunteer shooters to help reduce pests in selected national parks and reserves. By tackling pests such as feral goats, pigs, foxes and rabbits, volunteer shooters are part of a statewide effort to protect the environment including many of our most threatened plants and animals.

Twelve reserves were included in a three year scientific trial to be evaluated by the Natural Resources Commission and a report will be prepared for government on the future of the program.

The operational phase of the trial commenced in Cocopara Nature Reserve, near Griffith, on 15 February 2014.

Reforming native vegetation regulations

OEH maintains environmental and heritage standards while seeking to cut red tape. A major milestone in this approach was the *Native Vegetation Regulation*, which commenced 23 September 2013.

Provisions introduced include:

- » New or expanded exemptions to clear native vegetation without a property vegetation plan.
- » The common sense decision to declare yellow mimosa (a feral native species) be cleared without approvals.

Additional codes of practice are also planned for drafting and exhibition later in 2014.

Reducing bushfire risk

To minimise risks and costs to people and property, OEH works with emergency services and landholders to manage fire risk and fight bushfires.

Hazard reduction programs are part of the measures designed to mitigate the risk of bushfire to communities and make them more resilient to bushfires.

OEH has almost 1,200 highly trained fire fighters who completed 254 hazard reduction activities, including prescribed burns and mechanical works treating over 47,000 hectares from 1 July 2013 to 23 February 2014.

Increasing volunteering

Recognising that local communities take pride in their surroundings and care for them best, OEH fosters volunteering and community based stewardship programs.

NPWS continued to invest in training, systems, developing materials, networking and the Volunteer Grants Program to promote innovation and volunteering capacity.

NPWS has more than 6,500 volunteers contributing more than 126,000 hours of effort each year, a 70 percent increase since 2006/07.

Saving threatened species

In December 2013 OEH launched the Saving Our Species Program. The program aims to maximise the number of NSW's threatened species secured in the wild in NSW for 100 years.

The program targets iconic species such as the brush-tailed rock wallaby, koala, southern corroboree frog and the mallee fowl. OEH also initiated a project to reintroduce locally extinct mammals, which involves partnerships between conservation organisations and the government to establish and manage predator-free areas within national parks. These areas give selected species the best chance of re-establishing viable populations in the wild.

Collaborating with customers

Open OEH is OEH's open government initiative, working to improve our capacity to collaborate and co-design policy, programs and services with our customers. Open OEH will provide mechanisms to publish data and information to customers through OEH's open data portal, data.nsw.gov.au and opengov.nsw.gov.au.

Improving digital engagement

OEH uses new technologies and social media tools to encourage communities to enjoy their national parks and value their local environment.

OEH continued refining and expanding its visitor focused website www.nationalparks.nsw.gov.au. Website enhancements included statewide viewing of fire and closure alerts, better mapping and usability, and automated directions to national parks and attractions.

The site includes more than 220 parks and over 1600 attractions. Website visitation continues to show strong growth with nearly 1.3 million visits (more than 6 million page views) over the second half of 2013 – an increase of more than 130 percent compared with the same period in 2012.

WHAT WE STAND FOR

CARE

We support our people, recognise their value, and invest in their development. Together we are respectful, honest and enthusiastic.

PARLIAMENTARY COUNSEL'S OFFICE

PCO is a separate office that provides the government with a range of services and advice related to drafting and publishing legislation.

This report covers the period from 1 July 2013 to 23 February 2014 when PCO was within DPC. On 24 February 2014 PCO became a Public Sector executive agency.

The report provides a brief summary of PCO's performance and does not include the usual annual performance data in five year comparison tables. More detailed performance information, including comparative tables, can be found in PCO's separate 2013/2014 Annual Report.

PCO's statistics are generated on an end-of-month basis. Accordingly, all statistics in this report were taken as at 28 February 2014, unless otherwise noted.

Delivering legislative drafting services

PCO drafts and publishes Bills and Amendments in Committee for the government and non-government Members of Parliament. PCO supports Parliament at all stages of the legislative process. All Bills receive comprehensive editorial, legal and quality assurance checks.

PCO drafts and publishes Statutory Instruments and Environmental Planning Instruments, and manages the Staged Repeal of Statutory Instruments and Statute Law revision legislative sub-programs.

The Parliamentary Counsel is the Secretary of the Australasian Parliamentary Counsel's Committee, which is responsible for drafting uniform and complementary legislation.

PCO met all drafting and publishing targets through this period. Key statistics include:

- » Government Bills — 65 were introduced, including urgent Bills drafted for the recall of Parliament in January 2014 in relation to alcohol-related violence legislation.
- » Non-government Bills — nine were introduced.
- » Amendments in committee — 80 sets of government amendments in committee and 191 sets of non-government amendments in committee were drafted.
- » Statutory Instruments — PCO aims to draft and provide legal opinions on at least 70 percent of statutory instruments within 20 working days. Up to 28 February 2014, 87 percent were completed within this target.
- » Environmental Planning Instruments (EPIs) — PCO aims to draft and provide legal opinions on at least 70 percent of EPIs within 20 working days. Up to 28 February 2014, 90 percent of EPIs were completed within this target.
- » Statute Law Revision Bills — one *Statute Law (Miscellaneous Provisions) Bill* was passed at the Spring session and it amended 60 Acts and instruments and repealed one instrument.
- » Statutory instruments dealt with under the Staged Repeal program — at 1 September 2013, being the annual program date, 126 instruments had been dealt with under the program.

Providing access to legislation

PCO provides free access to an authoritative, up to date collection of NSW legislation through www.legislation.nsw.gov.au. The website provides public access to the comprehensive and integrated database (maintained by PCO), and notification and gazettal of new instruments.

Key performance statistics include:

- » The website received an average of 916,208 hits per day.
- » Until the end of February the database included over 12,800 versions of Acts (current, historical and repealed SGML versions) and over 11,100 versions of statutory instruments (including 4,400 versions of environmental planning instruments).

- » PCO aims to capture and update all new Acts and instruments in the database in SGML within three working days. Up to February 2014, over 99 percent of updates were completed within this target time frame.
- » 267 new statutory instruments and 200 new EPIs were notified on the website.
- » PCO published 23 Gazettes containing notices on the website.

PCO also provides a legislation and information service to assist the public, including a telephone and email service, RSS feed and a weekly legislative events email.

Publishing the Gazette online

PCO assumed responsibility for producing and publishing the NSW Government Gazette on 1 January 2014. Hard copy production of the Gazette ceased with it being solely published on the NSW Legislation website, which PCO maintains.

The online Gazette has improved production times and enabled greater timing flexibility. Its search function also allows users to search across multiple Gazettes dating back to 2001.

Legislative changes were made to give official status to the online version of the Gazette.

Facilitating knowledge sharing

Following the recommendations of a steering committee, a long term Knowledge Management Program to facilitate knowledge transfer and sharing within the office commenced in February 2014.

The program aims to ensure consistency and maintain standards in drafting NSW legislation into the future.

The program proactively addresses PCO's identified risk of knowledge loss with retirements and staff movements, and the need to accommodate flexible work arrangements, parental leave and other career breaks.

WHAT WE STAND FOR

INTEGRITY

We are ethical,
impartial and honest.

POLICIES AND INITIATIVES

This section reports on DPC's key corporate services and governance functions including staffing policies and practices.

With the commencement of the *Government Sector Employment Act (GSE) 2013* on 24 February 2014, following the release of the *Administrative Arrangements Order 2014*, DLG, PCO and OEH became separate Public Service executive agencies related to DPC. This report presents data on DLG, PCO and OEH until 24 February 2014. For information following this date please see the organisations' separate annual reports.

OEH

OEH provides a selection of corporate, essential and shared services to a range of Environment and Heritage Portfolio agencies including Centennial Park and Moore Park Trust, Environment Protection Authority, Heritage Council of NSW, Historic Houses Trust of NSW, Parramatta Park Trust, Royal Botanic Gardens and Domain Trust and Western Sydney

Parklands Trust. For more information please refer to the individual annual reports for these agencies.

Information on OEH's key corporate and essential services and governance functions include the Environmental Trust, as the Trust's support staff is employed within OEH.

STAFFING, POLICIES AND PRACTICES Policies and procedures

DPC is committed to comply with legislative requirements and NSW public sector policies and procedures. The department regularly reviews, updates and develops new policies to improve its governance and performance. All departmental policies and procedures are available on the DPC intranet. DPC began reviewing its policies in light of the new *GSE Act*, which commenced early 2014.

The department coordinated workshops for human resource professionals from other government agencies in the DPC cluster. These workshops provided greater understanding of the GSE provisions and enabled networking to minimise duplication across agencies.

Learning and development

DPC's Learning and Development team continued focusing on building high performance, capability and excellence through the DPC Learning and Development Plan. The plan has an integrated strategic approach and is linked to the overall DPC People Plan.

The team continued implementing a range of innovative initiatives that aimed to increase DPCs organisational capability.

These initiatives included individual coaching sessions and the following courses:

- » Plain English writing.
- » Critical conversations and feedback.
- » Combat bullying: Call It Like It Is.
- » Executive and senior leaders 360 development program.
- » Lunch 'n' Learn programs that focused on health and wellbeing, leadership and management, individual performance and diversity and culture.

DPC also provides a Study Assistance Scheme to support eligible staff to complete post graduate study.

The team implemented a performance management tool that sets out clear accountabilities for employees and managers. The tool defines priority areas, key performance indicators and measures. It is also fully integrated to include career development and capabilities that are linked to the NSW Public Service Capability Framework. This integration encourages collaboration through a two way feedback system and incorporates DPC values.

The team also ran a new induction program that includes an engaging and interactive digital online component and a face-to-face workshop.

Human resources initiatives

DPC's People and Culture team focused on delivering the department's People Plan in its three main areas of building capability, strengthening our culture and attracting and retaining talented people.

During the year a range of initiatives were implemented to improve performance in recruitment, reporting and general HR advisory services. In June 2013 a new team structure was established to help with the recruitment and retention of staff, which included the development of an in-house recruitment function. This has significantly reduced recruitment times with approvals being progressed faster through an electronic process.

Other improvements include:

- » Strengthening the management of workers' compensation claims.
- » Reviewing and streamlining all HR processes to increase performance and customer satisfaction.
- » Reviewing and implementing a new performance management system aligned with the PSC standards, and reporting requirements of the *Government Sector Employment Act 2013*.

During March 2014 the team conducted the biannual staff Pulse Survey to measure staff engagement, inform the development of new strategies and address any emerging issues. The survey asked staff to rate statements about the organisation, their job, team, development opportunities, and conditions and environment. There was an increase in staff participation from 53 percent in 2012 to 62 percent in 2014. Generally, the results were higher than the 2012 results, with a total staff engagement score of 79 percent.

The team also played a primary coordination role with cluster agencies. This work included:

- » Advising on and collating cluster reports.
- » Facilitating forums to educate staff on important reforms such as the *Government Sector Employment Act 2013*.
- » Providing HR Business Partner advisory services to smaller agencies.

The team initiated a Values in Action Program to strengthen DPC's culture. The program built awareness of DPC's values (professionalism and excellence, care, respect, integrity and service) and provided opportunities to discuss what they mean in practice in the workplace. HR Business Partners also facilitated sessions with staff to discuss how to implement and practice the department's values in their work.

EQUAL EMPLOYMENT OPPORTUNITY

DPC is committed to eliminating discrimination in employment, and promotes EEO principles.

EEO statistical data for 2013–2014 indicates that the:

- » Percentage of females (63.6 percent) DPC employs continues to exceed the benchmark.
- » Percentage of people with disability Requiring Work-Related Adjustment (2.2 percent) exceeds the benchmark.
- » Percentage of females in senior executive roles has increased from 44 percent in 2012–2013 to 58 percent in 2013–2014
- » Percentage of people from Aboriginal and Torres Strait Islander backgrounds (1.2 percent) and people with English as a second language (13.3 percent) was below the benchmark.

DPC continues to drive initiatives that improve the department's outcomes, for example the Indigenous Cadetship Program and improved recruitment strategies to increase representation of these groups.

DPC demonstrates its commitment to EEO principles by:

- » Celebrating major events, such as the National Aboriginal Islander Day Observance Committee (NAIDOC) week, International Women's Day (IWD), and International Day of People with a Disability.
- » Providing ongoing support to the Young Professionals Network (YPN).
- » Implementing relevant strategies outlined in the EEO Management Plan, Disability Action Plan, Aboriginal Employment Strategy, and Multicultural Policies and Services Plan.

DISABILITY ACTION PLAN

In line with DPC's Disability Action Plan 2010–2014 the department ensured people with disabilities were included in all aspects of its operations and service deliveries.

To achieve this DPC:

- » Provided workplace adjustment and flexible working arrangements for employees with disabilities.
- » Worked with the Equity and Diversity Committee to ensure access issues were fully scoped for the move to new premises.
- » Provided tools on its intranet to enhance employee awareness of options available to assist people with disabilities.

- » Upgraded to become a silver member of the Australian Network on Disability.
- » Analysed its recruitment processes to identify any unintended barriers that may prevent people with disabilities from either applying for roles or from being recruited.
- » Developed its website to ensure that content is available to the widest possible audience, including readers using assistive technology or accessibility features.
- » Partnered with other government agencies to promote greater opportunities for participation and inclusion of people with disabilities in NSW government supported events. This project was nominated for a Premier's Award in 2014.

MULTICULTURAL POLICIES AND SERVICES

DPC supports the principles of multiculturalism as outlined in the *Community Relations Commission Principles of Multiculturalism Act 2000* and the Multicultural Policies and Services Plan 2010–2014.

The DPC Equity and Diversity Committee met during the year and contributed to raising awareness about equity and diversity issues across the department. This included staff events such as Harmony Day and NAIDOC celebrations.

DPC also promoted staff communication that was easily understood and culturally appropriate through plain English training. This was undertaken at all levels across the department with a total of 294 participants.

YOUNG PROFESSIONALS NETWORK

DPC's YPN provides opportunities for younger staff (35 years and under) to be proactive about their professional development. The network enables staff to:

- » Develop cross-group connections.
- » Exchange ideas and organisational knowledge.
- » Keep each other informed about initiatives.
- » Support each other in growth and development.

YPN developed a new structure (led by co-chairs) comprising a small committee of young leaders with representation across the DPC's major groups. This provided greater access to the network and facilitated collaboration between members.

The committee developed a 2014 road map to provide a fresh vision for the network. The map includes four main themes to guide the network's professional leadership development, improve, influence, innovate and integrate.

Following on from the success of the 2013 Networking event with the Premier's Office, this year's program opened with a 'meet and greet' for all the staff. Looking forward, the DPC and PSC YPNs will continue to work together to establish the Young Public Service Leaders Network for all agency YPNs, and identify new opportunities for interagency activities and events.

WORK HEALTH AND SAFETY

DPC continued its commitment to ensure a safe and healthy work environment for staff, contractors, clients and visitors. A significant focus was given to health and wellbeing with numerous Lunch 'n' Learn activities, such as yoga, pilates and information sessions on nutrition, weight loss and mental health.

DPC continued to provide staff with influenza vaccinations and promote corporate gym memberships. DPC also sponsored participation in the JP Morgan Chase Corporate Challenge, City to Surf, Sydney to Gong Bike Ride and lunch time soccer in Sydney's Domain.

DPC claims and reports

There were nine new workers' compensation claims for the year and, with improved claims management, the average cost per claim was reduced in all categories.

DPC also:

- » Ran an internal review of workers' compensation claims and processes, which resulted in the recovery of outstanding monies associated with previous years' claims.
- » Established a new work health and safety committee to reflect DPC's realigned structure.
- » Trained two staff to conduct ergonomic assessments in house.
- » Installed defibrillators in seven regional offices.
- » Provided first aid training to 40 staff members.

Compensation claims as at 30 June 2014

Year	Premiums paid (\$)	Claims lodged	Open claims
2008–2009	374,803	7	0
2009–2010	454,110	23	5
2010–2011	487,700	17	3
2011–2012	491,930	17	11
2012–2013	437,498	7	14
2013–2014	506,438	9	8

Accidents and incidents reported

Cause type	Count
Slip/trip/fall (at work)	6
Slip/trip (journey/recess)	7
Lifting	2
Cuts/burns	4
Driving/car related	3
Psychological	1
Ergonomic	6
Other	6
TOTAL	35

Note: 2013 figures include DLG and PCO, which became separate entities on 24 February 2014, and hence are excluded from 2014 figures.

OEH

OEH continued to implement its Workplace Health and Safety (WHS) Strategy, which included the following programs:

- » Safety leadership and risk management programs for senior management.
- » Reviewing key risk management policies.
- » Development of online WHS induction programs.
- » Internal and self-auditing program.
- » Establishing interagency collaboration on WHS management.
- » Safety incident investigation training.
- » Expanding the use, and refining the functionality, of the online WHS information management system.

Performance continued to improve with overall injury rates, including lost time injuries, decreasing over the period. Near miss reporting rates and investigation rates also continued to improve.

OEH claims and reports

Number of incidents, accidents and injuries reported

	2010 2011	2011 2012	2012 2013	*2013 2014
OEH	931	1107	1218	747
RBGT	N/A	N/A	N/A	96

* From 1 July 2013 to 23 February 2014.

Number of workers' compensation claims made

	2010 2011	2011 2012	2012 2013	*2013 2014
OEH	271	215	198	125
RBGT	N/A	N/A	N/A	19

* From 1 July 2013 to 23 February 2014.

Value of workers' compensation claims (\$)

	2010 2011	2011 2012	2012 2013	*2013 2014
OEH	2,044,153	1,347,784	986,080	772,448
RBGT	N/A	N/A	N/A	576,293

* From 1 July 2013 to 23 February 2014.

INDUSTRIAL RELATIONS

The Joint Consultative Committee (JCC) maintains joint workplace consultation between DPC and the Public Service Association. JCC ensures any matters that arise relating to changes to structures, processes or workplace issues are discussed and resolved efficiently and effectively. It also serves as a consultative body for revising and developing policies and staff training.

CONSUMER RESPONSE

DPC

Approximately 1,800 items of correspondence are registered each month. DPC has improved processing efficiency and handling with response times reduced from an average of 10 to two business days.

DLG

DLG continues to receive a high volume of correspondence due to community interest in local government issues. DLG processed 962 items of departmental correspondence and 1,243 items of ministerial correspondence. From 1 July 2013 to 23 February 2014, DLG processed 758 complaints about councils and received 44 informal allegations of breaches of the pecuniary interest provisions of the *Local Government Act 1993*. No complaints met the requirements set out for a formal pecuniary interest complaint (two pecuniary interest investigations were commenced). DLG commenced seven misconduct investigations.

OEH

OEH continued its commitment to handling public feedback and complaints courteously, efficiently and equitably.

OEH received nine significant complaints. These included allegations of unethical conduct, corrupt conduct and other complaints referred by the NSW Ombudsman's office. Seven of these complaints were finalised during the reporting period.

In dealing with probity complaints, changes to some management systems, procedures and programs were implemented.

More information is available at www.environment.nsw.gov.au.

WASTE REDUCTION AND PURCHASING POLICY

DPC

DPC continued to implement the government's Waste Reduction and Purchasing Policy (WRAPP) to reduce waste and increase purchasing recycled content materials for paper products and office consumables.

WRAPP forms part of the government's Sustainability Policy, which sets targets for sustainable resource use, disposal, and procurement across energy, water and waste.

Throughout the year DPC worked with OEH to review the policy.

OEH

OEH continued to improve its waste and recycling systems and undertook a number of initiatives during the reporting period, including:

- » Reduced contamination in recycling through improved infrastructure and signage in national parks.
- » New arrangements with councils and tips on recyclables and garbage segregation to increase recovery.
- » Continued improvements in waste management, including comingled recycling bins in national parks and the reduction in the number of rubbish bins to reduce waste to landfill.
- » Grey and black water reuse and recycled vegetation waste, timber and a large percentage of bricks and glass.
- » Targeted use of recycled construction materials in office refurbishments and road works, and the use of virgin natural material to maintain fire trails and some walking tracks in national parks.
- » Paper, cardboard and toner recycling systems at all large offices and many regional offices.
- » Purchasing office copy paper with minimum 50 percent recycled content.
- » Publications printed on recycled content paper.
- » 403 kilograms of ewaste recycled in August 2013, including 123 desktop PC's, eight laptops, 48 monitors, six printers, two scanners, one fax machine and assorted keyboards, mouses and cables.

Reducing waste generation

To reduce paper consumption, DPC continued increasing the use of document scanning and electronic workflows in the Electronic Document and Records Management System (EDRMS). Wherever possible, electronic documents replaced paper based files. This resulted in a 10 percent decrease in paper file creation.

EDRMS supports full electronic workflows and approvals, reducing the need for printed copies. Half of all DPC's approvals are conducted electronically. Staff are continually encouraged to minimise printing and their computers default to double sided printing. Electronic publishing is used as much as possible.

As a result of scanning and movement of paper files to Government Archives, over the year DPC achieved a 65 percent reduction in onsite paper file storage, which equals 163 meters of linear storage.

DPC encourages staff to dispose general office rubbish directly into recyclable and non-recyclable bins placed in common areas. Waste recyclable stations are maintained on every floor in Bligh House and disposal protocols are maintained on all floors in Governor Macquarie Tower.

DLG

DLG uses document scanning and electronic workflows in its EDRMS to reduce paper consumption and is working to eliminate paper based files wherever possible. The EDRMS supports full electronic workflows and approvals, reducing the need for printed copies of documents. Staff are encouraged to minimise printing, with double sided printing defaulted, and electronic publishing used as much as possible.

DLG also maintains waste recycling in all kitchens and throughout all office accommodation to capture recyclable material.

Resource recovery

Whenever possible DPC and DLG purchase copy paper that contains at least 80 percent recycled content.

Accommodation projects prioritise the reuse and recycling of building and workstation components when possible.

FINANCIALS

DPC Financial Statements for the year end 30 June 2014



Reference: A968222

Statement by the Acting Secretary of the Department of Premier and Cabinet

Pursuant to section 45F of the *Public Finance and Audit Act 1983*, I state to the best of my knowledge and belief that:

- a) The accompanying financial statements in respect of the year ended 30 June 2014 have been prepared in accordance with applicable Australian Accounting Standards, the provisions of the *Public Finance and Audit Act 1983*, applicable clauses of the Public Finance and Audit Regulation 2010 and the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies;
- b) The statements exhibit a true and fair view of the financial position of the Department of Premier and Cabinet as at 30 June 2014, and transactions for the year then ended; and
- c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

A handwritten signature in blue ink, appearing to read 'S. A. Y. Smith'.

Simon A Y Smith
Acting Secretary

16 September 2014



INDEPENDENT AUDITOR'S REPORT

Department of Premier and Cabinet

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Department of Premier and Cabinet (the Department), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows, service group statements and summary of compliance with financial directives for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Department.

Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Department as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

The Acting Secretary's Responsibility for the Financial Statements

The Acting Secretary is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Acting Secretary determines is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Acting Secretary, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Department
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Grant Hehir
Auditor-General

18 September 2014
SYDNEY

Department of Premier and Cabinet
Financial Statements
for the year ended 30 June 2014

Statement of Comprehensive Income for year ended 30 June 2014

		Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
	Notes			
Expenses including losses				
Operating expenses				
Employee related expenses	2(a)	367,089	472,344	498,571
Other operating expenses	2(b)	224,967	429,858	337,299
Depreciation and amortisation	2(c)	71,959	104,584	100,348
Grants and subsidies	2(d)	291,322	477,464	420,825
Finance costs	2(e)	9,170	13,115	10,488
Other expenses			3,362	
Total expenses excluding losses		964,507	1,500,727	1,367,531
Revenue				
Recurrent appropriations	3(a)	585,037	761,879	684,211
Capital appropriations	3(a)	19,161	84,668	37,556
Sale of goods and services	3(b)	49,377	126,029	71,109
Investment revenue	3(c)	19,215	9,676	24,684
Retained taxes, fees and fines	3(d)	9,261	9,254	15,122
Grants and contributions	3(e)	277,771	385,605	391,902
Personnel services	3(f)	32,185	-	54,351
Acceptance by the Crown Entity of employee benefits and other liabilities	3(g)	16,549	31,374	15,908
Other revenue	3(h)	38,171	33,693	36,044
Total revenue		1,046,727	1,442,178	1,330,887
Gain / (loss) on disposal	4	(213)	(840)	(1,816)
Other gains / (losses)	5	(30)	(100)	(6,858)
Net result		81,977	(59,489)	(45,318)
Other comprehensive income				
Net increase / (decrease) in property, plant and equipment revaluation surplus		(4,492)	-	88,020
Total other comprehensive income		(4,492)	-	88,020
Total comprehensive income		77,485	(59,489)	42,702

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
Assets				
Current assets				
Cash and cash equivalents	9	47,287	292,602	314,133
Receivables	10	29,075	39,232	69,424
Inventories	11	-	666	707
Other financial assets	12	-	16	16
Other		-	600	-
Non-current assets held for sale		-	277	-
Total current assets		76,362	333,393	384,280
Non-current assets				
Receivables	10	-	62	-
Property plant and equipment	13			
Land and Buildings		98,047	2,227,342	2,223,906
Plant and Equipment		18,294	71,647	77,001
Infrastructure systems		-	1,541,371	1,417,350
Heritage and Cultural Assets		9,924	-	-
Intangible assets	14	4,117	184,213	178,899
Total non-current assets		130,382	4,024,635	3,897,156
Total assets		206,744	4,358,028	4,281,436
Liabilities				
Payables	17	37,055	130,147	146,110
Borrowings	18	-	-	33,041
Provisions	19	11,131	60,686	56,322
Other	20	6,470	1,355	8,561
Total current liabilities		54,656	192,188	244,034
Non-current liabilities				
Borrowings	18	-	290,982	264,648
Provisions	19	3,494	53,691	14,332
Other	20	31,041	-	-
Total non-current liabilities		34,535	344,673	278,980
Total liabilities		89,191	536,861	523,014
Net assets		117,553	3,821,167	3,758,422
Equity				
Reserves		-	637,492	472,354
Accumulated funds		117,553	3,183,675	3,286,068
Total equity		117,553	3,821,167	3,758,422

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2014

	Notes	Accumulated Funds \$'000	Assets Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2013		3,286,068	472,354	3,758,422
Net result for the year		81,977	-	81,977
Other comprehensive income:				
Net increase/(decrease) in property, plant and equipment		-	(4,492)	(4,492)
Total other comprehensive income		-	(4,492)	(4,492)
Total comprehensive income for the year		81,977	(4,492)	77,485
Transaction with owners in their capacity as owners				
Increase / (decrease) in net assets from equity transfers	21	(3,718,354)	-	(3,718,354)
Reserves transferred to Accumulated Funds		467,862	(467,862)	-
Balance at 30 June 2014		117,553	-	117,553
	Notes	Accumulated Funds \$'000	Assets Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2012		3,343,863	384,334	3,728,197
Net result for the year		(45,318)	-	(45,318)
Other comprehensive income:				
Net increase/(decrease) in property, plant and equipment		-	88,020	88,020
Total other comprehensive income		-	88,020	88,020
Total comprehensive income for the year		(45,318)	88,020	42,702
Transaction with owners in their capacity as owners				
Increase / (decrease) in net assets from equity transfers	21	(12,477)	-	(12,477)
Balance at 30 June 2013		3,286,068	472,354	3,758,422

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2014

		Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
	Notes			
Cash flows from operating activities				
Payments				
Employee related		(359,915)	(442,815)	(496,523)
Grants and subsidies		(260,419)	(477,464)	(343,228)
Finance costs		-	(3,298)	-
Other		(239,525)	(448,551)	(486,087)
Total payments		(859,859)	(1,372,128)	(1,325,838)
Receipts				
Recurrent appropriation		580,347	761,879	680,806
Capital appropriation (excluding equity appropriation)		19,251	84,668	38,335
Sale of goods and services		64,562	146,096	68,082
Interest received		6,397	8,769	10,913
Retained taxes, fees and fines		20,613	-	35,585
Grants and contributions		266,438	380,022	370,915
Reimbursements from the Crown Entity		9,305	-	10,647
Personnel services		32,069	-	54,355
Other		43,927	57,395	75,457
Total receipts		1,042,909	1,438,829	1,345,095
Net cash flows from operating activities	25	183,050	66,701	19,257
Cash flows from investing activities				
Proceeds from sale of land and buildings, plant and equipment and infrastructure systems		505	995	1,606
Purchases of land and buildings, plant and equipment and infrastructure systems		(29,049)	(45,910)	(46,190)
Purchase of intangibles		(6,965)	-	(9,762)
Other		-	(18,555)	-
Net cash flows from investing activities		(35,509)	(63,470)	(54,346)
Cash flows from financing activities				
Proceeds from borrowings and advances		-	(35,300)	116,202
Net cash flows from financing activities		-	(35,300)	116,202
Net increase / (decrease) in cash		147,541	(32,069)	81,113
Opening cash and cash equivalents		314,133	324,671	233,020
Cash transferred in / (out) as a result of administrative restructuring	21	(414,387)	-	-
Closing cash and cash equivalents	9	47,287	292,602	314,133

The accompanying notes form part of these financial statements.

Supplementary Financial Statements - Service Group Statements for the year ended 30 June 2014

Consolidated	Service Group 1: NSW 2021 Plan Leadership and Support *		Service Group 2: Delivery and Implementation Group *		Service Group 3: Services and Capabilities Improvement *		Service Group 4: Policy Support *		Service Group 5: Administrative Support for Government *	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Expenses & Income										
Expenses excluding losses										
Operating expenses										
• Employee related expenses	-	3,918	-	10,109	-	2,442	33,659	19,685	53,544	55,824
• Other operating expenses	-	2,472	-	4,813	-	555	11,818	7,493	49,914	46,456
Depreciation and amortisation	-	132	-	314	-	66	-	1,030	5,209	2,421
Grants and subsidies	-	-	-	-	-	-	348	121	11,744	25,909
Finance costs	-	5	-	12	-	2	-	22	213	92
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses excluding losses	-	6,527	-	15,248	-	3,065	45,825	28,351	120,624	130,702
Revenue										
Recurrent appropriations	-	-	-	-	-	-	-	-	-	-
Capital appropriations	-	-	-	-	-	-	-	-	-	-
Retained fees and fines	-	-	-	-	-	-	-	-	-	-
Sale of goods and services	-	-	-	255	-	-	3,359	312	115	1,175
Investment revenue	-	2	-	8	-	1	-	10	950	1,346
Personnel services	-	-	-	-	-	-	-	-	-	-
Grants and contributions	-	-	-	458	-	-	242	-	287	3,271
Acceptance by the Crown Entity of employee benefits & other liabilities	-	169	-	296	-	72	987	800	1,299	1,281
Other revenue	-	-	-	-	-	-	-	-	-	-
Total revenue	-	171	-	1,017	-	73	4,588	1,122	2,651	7,073
Gain / (loss) on disposal	-	(1)	-	(45)	-	-	(28)	(3)	(178)	(37)
Other gains / (losses)	-	-	-	-	-	-	-	-	(30)	-
Net result	-	(6,357)	-	(14,276)	-	(2,992)	(41,265)	(27,232)	(118,181)	(123,666)
Other comprehensive income										
Increase / (decrease) in assets revaluation surplus	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	(6,357)	-	(14,276)	-	(2,992)	(41,265)	(27,232)	(118,181)	(123,666)

The names and purposes of each service group are summarised in Note 8.

Supplementary Financial Statements - Service Group Statements for the year ended 30 June 2014

Consolidated	Service Group 6: Communications and Advertising *		Service Group 7: Capacity Building, Oversight and Provision of Advice for Local Government *		Service Group 8: Pensioner Rebate Scheme *		Service Group 9: Responsible Pet Ownership Program *		Service Group 10: Service NSW *	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Expenses & Income	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses excluding losses										
Operating expenses										
• Employee related expenses	-	3,368	5,238	7,848	-	-	321	594	-	13,729
• Other operating expenses	-	11,215	1,378	6,678	-	-	3,627	4,627	-	18,481
Depreciation and amortisation	-	262	51	132	-	-	-	6	-	-
Grants and subsidies	-	-	3,295	1,640	78,183	78,301	-	-	-	17,257
Finance costs	-	10	-	8	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses excluding losses	-	14,855	9,962	16,306	78,183	78,301	3,948	5,227	-	49,467
Revenue										
Recurrent appropriations	-	-	-	-	-	-	-	-	-	-
Capital appropriations	-	-	-	-	-	-	-	-	-	-
Retained fees and fines	-	-	-	-	-	-	3,738	6,068	-	-
Sale of goods and services	-	7,428	-	-	-	-	-	-	-	-
Investment revenue	-	69	-	-	-	-	90	122	-	-
Personnel services	-	-	-	-	-	-	-	-	-	-
Grants and contributions	-	-	-	725	-	-	-	-	-	42,650
Acceptance by the Crown Entity of employee benefits and other liabilities	-	49	265	337	-	-	17	36	-	47
Other revenue	-	-	-	-	-	-	-	-	-	-
Total revenue	-	7,546	265	1,062	-	-	3,845	6,226	-	42,697
Gain / (loss) on disposal	-	(2)	-	(2)	-	-	-	-	-	(4)
Other gains / (losses)	-	-	-	-	-	-	-	-	-	-
Net result	-	(7,311)	(9,697)	(15,246)	(78,183)	(78,301)	(103)	999	-	(6,774)
Other comprehensive income										
Increase / (decrease) in assets revaluation surplus	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	(7,311)	(9,697)	(15,246)	(78,183)	(78,301)	(103)	999	-	(6,774)

The names and purposes of each service group are summarised in Note 8.

Supplementary Financial Statements - Service Group Statements for the year ended 30 June 2014

Consolidated	Service Group 11: National Parks and Wildlife *		Service Group 12: Regional Operations and Heritage *		Service Group 13: Policy and Science *		Service Group 14: Protocol and Special Events *		Service Group 15: Parliamentary Counsel s Office *	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Expenses & Income										
Expenses excluding losses										
Operating expenses										
Employee related expenses	149,772	210,123	47,842	76,299	29,354	39,427	9,937	-	4,529	-
• Other operating expenses	89,460	151,088	35,215	71,104	8,399	12,317	24,160	-	996	-
• Depreciation and amortisation	55,629	84,516	4,894	3,769	5,834	7,700	-	-	342	-
Grants and subsidies	369	13,243	187,259	282,701	266	1,653	9,858	-	-	-
Finance costs	2,368	3,213	6,552	7,124	37	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses excluding losses	297,598	462,183	281,762	440,997	43,890	61,097	43,955	-	5,867	-
Revenue										
Recurrent appropriations	-	-	-	-	-	-	-	-	-	-
Capital appropriations	-	21,867	-	9,417	-	4,133	-	-	-	-
Retained fees and fines	5,203	2,414	320	1,237	-	5,403	-	-	-	-
Sale of goods and services	29,277	37,099	8,688	10,437	6,255	23	1,524	-	159	-
Investment revenue	14,550	18,419	3,265	4,242	360	465	-	-	-	-
Personnel services	-	-	-	-	-	-	-	-	-	-
Grants and contributions	12,206	28,929	259,219	297,300	4,059	8,141	1,758	-	-	-
Acceptance by the Crown Entity of employee benefits and other liabilities	-	-	-	-	-	-	373	-	200	-
Other revenue	35,766	27,792	1,897	3,859	508	229	-	-	-	-
Total revenue	97,002	136,520	273,389	326,492	11,182	18,394	3,655	-	359	-
Gain / (loss) on disposal	22	(1,422)	-	(14)	(20)	(286)	(9)	-	-	-
Other gains / (losses)	-	(3,569)	-	(3,282)	-	(7)	-	-	-	-
Net result	(200,574)	(330,654)	(8,373)	(117,801)	(32,728)	(42,996)	(40,309)	-	(5,508)	-
Other comprehensive income										
Increase / (decrease) in assets revaluation surplus	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	(200,574)	(330,654)	(8,373)	(117,801)	(32,728)	(42,996)	(40,309)	-	(5,508)	-

The names and purposes of each service group are summarised in Note 8.

Supplementary Financial Statements - Service Group Statements for the year ended 30 June 2014

Consolidated	Not Attributable**		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Expenses & Income				
Expenses excluding losses				
Operating expenses				
Employee related expenses	32,893	55,205	367,089	498,571
Other operating expenses	-	-	224,967	337,299
Depreciation and amortisation	-	-	71,959	100,348
Grants and subsidies	-	-	291,322	420,825
Finance costs	-	-	9,170	10,488
Other expenses	-	-	-	-
Total expenses excluding losses	32,893	55,205	964,507	1,367,531
Revenue				
Recurrent appropriations	585,037	684,211	585,037	684,211
Capital appropriations	19,161	2,139	19,161	37,556
Retained fees and fines	-	-	9,261	15,122
Sale of goods and services	-	14,380	49,377	71,109
Investment revenue	-	-	19,215	24,684
Personnel services	32,185	54,351	32,185	54,351
Grants and contributions	-	10,428	277,771	391,902
Acceptance by the Crown Entity of employee benefits and other liabilities	13,408	12,821	16,549	15,908
Other revenue	-	4,164	38,171	36,044
Total revenue	649,791	782,494	1,046,727	1,330,887
Gain / (loss) on disposal	-	-	(213)	(1,816)
Other gains / (losses)	-	-	(30)	(6,858)
Net result	616,898	727,289	81,977	(45,318)
Other comprehensive income				
Increase / (decrease) in assets revaluation surplus	(4,492)	88,020	(4,492)	88,020
Total other comprehensive income	(4,492)	88,020	(4,492)	88,020
Total comprehensive income	612,406	815,309	77,485	42,702

** Appropriations are made on an agency basis and not to individual service groups. Consequently, appropriations must be included in the 'Not Attributable' column. Cluster grant funding is also unlikely to be attributable to individual service groups.

The names and purposes of each service group are summarised in Note 8.

Supplementary Financial Statements - Service Group Statements for the year ended 30 June 2014

Consolidated	Service Group 1: NSW 2021 Plan Leadership and Support *		Service Group 2: Delivery and Implementation Group *		Service Group 3: Services & Capabilities Improvement *		Service Group 4: Policy Support *		Service Group 5: Administrative Support for Government *	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Assets & Liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Receivables	-	1,077	-	5,019	-	194	1,874	3,758	26,718	6,508
Inventories	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-
Total current assets	-	1,077	-	5,019	-	194	1,874	3,758	26,718	6,508
Non-current Assets										
Land & buildings	-	-	-	-	-	-	-	-	-	-
Property plant and equipment	-	18	-	430	-	50	390	2,922	17,828	3,987
Heritage and Cultural Assets	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	388	2,840	500	1,277	838
Total non-current assets	-	18	-	430	-	438	3,230	3,422	19,105	4,825
Total assets	-	1,095	-	5,449	-	632	5,104	7,180	45,823	11,333
Current liabilities										
Payables	-	926	-	6,299	-	859	2,285	3,110	23,074	21,521
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions	-	348	-	1,158	-	682	3,486	1,870	6,517	5,589
Other	-	21	-	86	-	14	-	129	2,984	338
Total current liabilities	-	1,295	-	7,543	-	1,555	5,771	5,109	32,575	27,448
Non-current liabilities										
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions	-	176	-	719	-	135	32	1,321	3,452	3,122
Other	-	-	-	-	-	-	-	-	31,041	-
Total non-current liabilities	-	176	-	719	-	135	32	1,321	34,493	3,122
Total liabilities	-	1,471	-	8,262	-	1,690	5,803	6,430	67,068	30,570
Net assets	-	(376)	-	(2,813)	-	(1,058)	(699)	750	(21,245)	(19,237)

* The names and purposes of each service group are summarised in Note 8.

Supplementary Financial Statements - Service Group Statements for the year ended 30 June 2014

Consolidated	Service Group 6: Communications and Advertising *		Service Group 7: Capacity Building, Oversight and Provision of Advice for Local Government *		Service Group 8: Pensioner Rebate Scheme *		Service Group 9: Responsible Pet Ownership Program *		Service Group 10: Service NSW *	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Assets & Liabilities										
Current Assets										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Receivables	-	1,984	-	474	-	-	-	1,858	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-
Total current assets	-	1,984	-	474	-	-	-	1,858	-	-
Non-current Assets										
Land & buildings	-	-	-	-	-	-	-	-	-	-
Property plant and equipment	-	7	-	178	-	-	-	-	-	-
Heritage and Cultural Assets	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	99	-	-	-	-	-	-
Total non-current assets	-	7	-	277	-	-	-	-	-	-
Total assets	-	1,991	-	751	-	-	-	1,858	-	-
Current liabilities										
Payables	-	3,818	-	7,486	-	-	-	2,438	-	6,107
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions	-	342	-	876	-	-	-	-	-	-
Other	-	55	-	57	-	-	-	-	-	-
Total current liabilities	-	4,215	-	8,419	-	-	-	2,438	-	6,107
Non-current liabilities										
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions	-	175	-	811	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total non-current liabilities	-	175	-	811	-	-	-	-	-	-
Total liabilities	-	4,390	-	9,230	-	-	-	2,438	-	6,107
Net assets	-	(2,399)	-	(8,479)	-	-	-	(580)	-	(6,107)

* The names and purposes of each service group are summarised in Note 8.

Supplementary Financial Statements - Service Group Statements for the year ended 30 June 2014

Consolidated	Service Group 11: National Parks and Wildlife *		Service Group 12: Regional Operations and Heritage *		Service Group 13: Policy and Science *		Service Group 14: Protocol and Special Events *		Service Group 15: Parliamentary Counsel's Office *	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
ASSETS & LIABILITIES										
Current Assets										
Cash and cash equivalents	-	80,120	-	157,921	-	3,403	-	-	-	-
Receivables	-	29,508	-	9,380	-	2,313	483	-	-	-
Inventories	-	562	-	145	-	-	-	-	-	-
Other financial assets	-	16	-	-	-	-	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-
Total current assets	-	110,206	-	167,446	-	5,716	483	-	-	-
Non-current Assets										
Land & buildings	-	-	-	-	-	-	98,047	-	-	-
Property plant and equipment	-	3,589,855	-	56,286	-	64,524	76	-	-	-
Heritage and Cultural Assets	-	-	-	-	-	-	9,924	-	-	-
Intangible assets	-	18,320	-	150,426	-	8,328	-	-	-	-
Total non-current assets	-	3,608,175	-	206,712	-	72,852	108,047	-	-	-
Total assets	-	3,718,381	-	374,158	-	78,568	108,530	-	-	-
Current liabilities										
Payables	-	12,046	-	78,553	-	1,906	1,047	-	-	-
Borrowings	-	-	-	33,041	-	-	-	-	-	-
Provisions	-	25,175	-	7,800	-	6,517	1,128	-	-	-
Other	-	809	-	3,100	-	-	281	-	-	-
Total current liabilities	-	38,030	-	122,494	-	8,423	2,456	-	-	-
Non-current liabilities										
Borrowings	-	59,361	-	205,287	-	-	-	-	-	-
Provisions	-	5,238	-	1,566	-	938	10	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total non-current liabilities	-	64,599	-	206,853	-	938	10	-	-	-
Total liabilities	-	102,629	-	329,347	-	9,361	2,466	-	-	-
Net assets	-	3,615,752	-	44,811	-	69,207	106,064	-	-	-

* The names and purposes of each service group are summarised in Note 8.

Supplementary Financial Statements - Service Group Statements for the year ended 30 June 2014

Consolidated Assets & Liabilities	Not Attributable**		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current assets				
Cash and cash equivalents	47,287	72,689	47,287	314,133
Receivables	-	7,351	29,075	69,424
Inventories	-	-	-	707
Other financial assets	-	-	-	16
Non-current assets held for sale	-	-	-	-
Total current assets	47,287	80,040	76,362	384,280
Non-current Assets				
Land & buildings	-	-	98,047	-
Property plant and equipment	-	-	18,294	3,718,257
Heritage & cultural assets	-	-	9,924	-
Intangible assets	-	-	4,117	178,899
Total non-current assets	-	-	130,382	3,897,156
Total assets	47,287	80,040	206,744	4,281,436
Current liabilities				
Payables	10,649	1,041	37,055	146,110
Borrowings	-	-	-	33,041
Provisions	-	5,965	11,131	56,322
Other	3,205	3,952	6,470	8,561
Total current liabilities	13,854	10,958	54,656	244,034
Non-current liabilities				
Borrowings	-	-	-	264,648
Provisions	-	131	3,494	14,332
Other	-	-	31,041	-
Total non-current liabilities	-	131	34,535	278,980
Total liabilities	13,854	11,089	89,191	523,014
Net assets	33,433	68,951	117,553	3,758,422

* The names and purposes of each service group are summarised in Note 8.

Summary of Compliance with Financial Directives for the year ended 30 June 2014

Consolidated	2014		2013		Expenditure / Net Claim on Consolidated Fund	Capital Appropriation	Expenditure / Net Claim on Consolidated Fund	Capital Appropriation	Expenditure / Net Claim on Consolidated Fund
	Recurrent Appropriation	Expenditure / Net Claim on Consolidated Fund	Recurrent Appropriation	Expenditure / Net Claim on Consolidated Fund					
Original budget appropriation / expenditure									
• Appropriation act	1,133,541	1,100,784	84,668	19,161	943,515	39,385	934,467	39,385	37,556
• S 24 PF&AA - transfers of functions into departments	-	-	-	-	16,952	-	-	-	-
• S 24 PF&AA - transfers of functions out of departments	-	-	-	-	(2,514)	-	-	-	-
	1,133,541	1,100,784	84,668	19,161	957,953	39,385	934,467	39,385	37,556
Other appropriations / expenditure									
• Treasurer's advance	-	-	-	-	15,390	-	-	-	-
• S 32 Appropriations Act - transfers from another agency	9,683	-	(616)	-	17,251	-	-	-	-
Treasurer's approved adjustment	9,683	-	(616)	-	32,641	-	-	-	-
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	1,143,224	1,100,784	84,052	19,161	990,594	39,385	934,467	39,385	37,556
Amount draw down against Appropriation		1,103,120		20,030			941,493		38,335
Liability to Consolidated Fund		2,336		869			7,026		779

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).

The Liability to Consolidated Fund represents the difference between the "Amount drawn against appropriation" and the "Total expenditure/Net claim on Consolidated Fund" for the year.

The Liability to Consolidated Fund relates to the appropriation made to the Premier.

Notes to the financial statements for the year ended 30 June 2014

1 Summary of Significant Accounting Policies

a) Reporting Entity

The Department of Premier and Cabinet (the Department) is a NSW government entity. The Department is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The Department is comprised of: the Premier and Cabinet Division; and until 23 February 2014: Local Government Division; Parliamentary Counsel's Office and the Office of Environment and Heritage.

Following the issue of Administrative Arrangements Order 2014 and commencing 24 February 2014 the Office of Environment and Heritage, Division of Local Government and the Parliamentary Counsel's Office were separated from the Department. The operations were transferred to standalone agencies and will be reported separately.

Under the reporting principles, the current year budget has remained wholly with the Department.

The comparison of the financial performance for the year to 30 June 2014 and the financial position at the year end is significantly impacted by the separation of these agencies. The performance for the year to 30 June 2014 only reflects approximately two thirds of the activities of the separated divisions and excludes their financial position at year end.

In the process of preparing the consolidated financial statements for the economic entity, all inter entity transactions and balances have been eliminated.

The Department includes employee related expenses and provisions for the Royal Botanic Gardens and Domain Trust, Lord Howe Island Board, Western Sydney Parklands Trust, Historic Houses Trust, Centennial Park and Moore Park Trust and Parramatta Park Trust up to 23 February 2014. These are offset by income and receivables.

These financial statements for the year ended 30 June 2014 have been authorised for issue by the Secretary on 16 September 2014.

b) Basis of Preparation

The Department's financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the Public Finance and Audit Act 1983 and *Public Finance and Audit Regulation 2010*, and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Property, plant and equipment, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

d) Administered activities

The Department administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of the Department's own objectives.

Transactions and balances relating to the administered activities are not recognised as the Department's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as "Administered Income", "Administered Expenses", "Administered Assets" and "Administered Liabilities".

The accrual basis of accounting and all applicable accounting standards have been adopted.

e) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit general government sector entities.

f) Insurance

The entity's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

g) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

Notes to the financial statements for the year ended 30 June 2014

h) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Parliamentary appropriations and contributions

Except as specified below, parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as income when the Department obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

Appropriations are not recognised as income in the following circumstances:

- Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.

The liability is disclosed in Note 20 as part of 'Current liabilities - Other'. The amount will be repaid and the liability will be extinguished next financial year.

(ii) Sale of goods

Revenue from the sale of goods is recognised as revenue when the Department transfers the significant risks and rewards of ownership of the assets.

(iii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*. Rental revenue is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term.

(v) Companion Animals

Under the Guidelines sent out to Councils with Division of Local Government Circular 00/09, there is a requirement that councils pay to the Division monthly the total amount of Registration fees for transactions that have been successfully entered on the Companion Animals Register. Collections recorded in the Register by Councils for the period up to 23 February 2014 totalled \$3.7 m (2013: \$6.1m), which is recorded as retained taxes, fees and fines.

A quarterly reimbursement is made to councils based on Register Reports for the quarter. A total of \$3.1 m (2013: \$3.5m) in expenses are recorded as other operating expenses and employee related expenses in the Statement of Comprehensive Income.

i) Assets**(i) Acquisitions of assets**

Assets acquired are initially measured at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 1(m)).

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

(iii) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 13 and Note 16 for further information regarding fair value.

The Department revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation of property was completed on 20 December 2013 and was based on an independent assessment.

Notes to the financial statements for the year ended 30 June 2014

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

(iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

(v) Depreciation of property, plant and equipment

Except for certain heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Department.

All material separately identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. The decision

not to recognise depreciation for these assets is reviewed annually.

The following depreciation rates have been adopted:

Buildings and improvements:

The construction type of Department buildings is used to determine the asset's useful life (from which a depreciation rate is derived). For example, historic buildings in use are deemed to have useful lives of between 40 and 100 years; visitors centres and staff residences 40 to 80 years, etc.

Depreciation Rates	30 June 2014
<i>Plant and equipment</i>	
Office furniture and fittings	10%
Computer equipment	25%
General plant and equipment	14%
Leasehold improvements (over the period of the lease)	various
<i>Amortisation of intangible assets</i>	
The following amortisation rates have been adopted:	
Software	20% to 33%
Water licences	Nil%

(vi) Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(vii) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site to the original condition is included in the cost of an asset, to the extent it is recognised as a liability

(viii) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or a component of an asset, in which case the costs are capitalised and depreciated.

(ix) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

The Department has no finance leases.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

(x) Intangible assets

The Department recognises intangible assets only if it is probable that future economic benefits will flow to the Department and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

Notes to the financial statements for the year ended 30 June 2014

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Department's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Department's intangible assets consist of software and water licences. Software is amortised using the straight line method over a period between 3 and 5 years. Water licences are issued under the Water Management Act, 2000 and the Water Act 1912. Licences purchased are reported at cost which equates to fair value. Intangible water licence assets are not amortised. These licenses were transferred to the Office of Environment and Heritage agency as part of the separation arising from the Administrative Arrangements Order 2014 that commenced on 24 February 2014.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(xi) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(xii) Inventories

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost or 'first in first out' method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the Department would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Shop stocks held for 12 months or more and considered to be unsaleable are regarded as obsolete and are expensed.

Generally, the quantum of inventory held is small. The Department relies on end of year stock takes to identify shop stocks and inventory held for distribution for reporting purposes.

(xiii) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. The Department determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Fair value through profit or loss - The Department subsequently measures investments classified as "held for trading" or designated upon initial recognition "at fair value through profit or loss" at fair value. Financial assets are classified as "held for trading" if they are acquired for the purpose of selling in the near term. Gains or losses on these assets are recognised in the net result for the year.

The Hour Glass Investment Facilities are designated at fair value through profit or loss using the second leg of the fair value option i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Department's key management personnel.

Designation at fair value through profit or loss is consistent with TPP 08-1 *Accounting Policy: Accounting for Financial Instruments*.

The movement in the fair value of the Hour Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

The Department has a T Corp Hour Glass facility which is considered to be level 2 as per AASB 7 *Financial Instruments: Disclosures*. Refer to fair value hierarchy under the financial instruments note to the financial statements (refer Note 26).

Held to maturity investments - Non derivative financial assets with fixed or determinable payments and fixed maturity that the Department has the positive intention and ability to hold to maturity are classified as "held to maturity". These investments are measured at amortised cost using the effective interest method. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Notes to the financial statements for the year ended 30 June 2014

Available for sale investments - Any residual investments that do not fall into any other category are accounted for as available for sale investments and measured at fair value in other comprehensive income until disposed or impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in surplus / (deficit) for the year. However, interest calculated using the effective interest method and dividends are recognised in the net result for the year.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date; i.e. the date the Department commits to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the statement of financial position date.

(xiv) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Department will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the net result for the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xv) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Department transfers the financial asset:

- where substantially all the risks and rewards have been transferred or
- where the Department has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Department has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Department's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(xvi) Trust funds

During the year the Department has received monies in a trustee capacity for various trusts and other entities as set out in Note 7 as Transfer Payments. As the Department performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Department's own objectives, these funds are not recognised in the financial statements.

(xvii) Other assets

Other assets are recognised on a cost basis.

j) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Department. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Borrowings

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the net result for the year on de-recognition.

(iii) Financial Guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially measured at fair value, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less accumulated amortisation, where appropriate.

The Department has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2014 and at 30 June 2013. However, refer Note 23 regarding disclosures on contingent liabilities.

Notes to the financial statements for the year ended 30 June 2014

(iv) Employee benefits and other provisions**a. Salaries and wages, annual leave, sick leave and on-costs**

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Department has assessed the actuarial advice based on the Department's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

b. Long service leave and superannuation

The Department's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Department accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 14/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

c. Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

d. Personnel Services Liabilities

Prior to the changes resulting from the issuing of Administrative Arrangements Order 2014, commencing 24 February 2014, the Department employed staff on behalf of certain agencies. The employee related expenses were offset by Personnel Services income (refer 3 (f)).

Whilst the staff were employed by the Department, the obligation for the employee benefits such as annual leave and long service leave was held by the relevant agencies. In this regard the Department was acting as a pass through entity.

(v) Other Provisions

Other provisions exist when: the Department has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when the Department has a detailed formal plan and it has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at 3.54%, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

k) Fair value hierarchy

A number of the Department's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

Notes to the financial statements for the year ended 30 June 2014

The Department recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer Note 16 and Note 26 for further disclosures regarding fair value measurements of financial and non-financial assets.

l) Equity and reserves

(i) Revaluation surplus

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Department's policy on the revaluation of property, plant and equipment as discussed in 1(i)(iii).

(ii) Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

m) Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the Department recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the Department does not recognise that asset.

n) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

o) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

p) Changes in accounting policy, including new or revised Australian Accounting Standards

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective, in accordance with the NSW Treasury mandate (TC 14/02)

Effective for the first time in 2013-14

- AASB 10 (NFP) Consolidated Financial Statements (NFP entities only)
- AASB 12 (NFP) Disclosure of Interests in Other Entities (NFP entities only)
- AASB 127 (NFP) Separate Financial Statements (NFP entities only)
- AASB 128 (NFP) Investments in Associates and Joint Ventures (NFP entities only)
- AASB 2013-5 regarding accounting for Investment Entities
- AASB 2013-6 regarding Reduced Disclosure Requirements
- AASB 2013-7 regarding accounting for life insurance contracts
- AASB 2013-8 regarding Australian Implementation Guidance for NFP Entities – Control & Structured Entities
- AASB 2013-9 regarding the Conceptual Framework, Materiality and Financial Instruments (Parts B and C).

Issued but not yet effective

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 11 (NFP) Joint Arrangements (NFP entities only)
- AASB 1031 Materiality
- AASB 1055 and AASB 2013 1 regarding budgetary reporting
- AASB 2011 7 (NFP) regarding consolidation and joint arrangements (NFP entities only)
- AASB 2012 3 regarding offsetting financial assets and financial liabilities
- AASB 2013 3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non Financial Assets
- AASB 2013 4 regarding financial instruments – Novation of Derivatives and Continuation of Hedge Accounting
- AASB 2013 6 regarding Reduced Disclosure Requirements
- AASB 2013 7 regarding accounting for life insurance contracts
- AASB 2013 8 regarding Australian Implementation Guidance for NFP Entities – Control & Structured Entities
- AASB 2013 9 regarding the Conceptual Framework, Materiality and Financial Instruments (Parts B and C).

The Department anticipates that the adoption of these Standards in the period of initial application will have no material impact on the financial statements.

Notes to the financial statements for the year ended 30 June 2014

2 Expenses Excluding Losses

	2014	2013
	\$'000	\$'000
(a) Employee related expenses		
Salaries and wages (including annual leave) *	292,154	395,697
Superannuation - defined benefit plans	6,111	9,427
Superannuation - defined contribution plans	20,021	29,564
Long service leave	10,146	5,367
Workers' compensation insurance	3,968	6,967
Payroll tax and fringe benefit tax	20,021	24,547
Redundancy payments	11,700	13,481
Agency Contractors	2,329	11,836
Other	639	1,685
	367,089	498,571

The employee related expenses include \$16,136,792 for the Botanic Gardens and the Domain Trust (2013: \$24,762,743), \$2,099,176 for Lord Howe Island Board (2013: \$3,783,569), \$1,464,292 for the Western Sydney Parklands Trust (2013: \$2,237,624), \$10,555,682 for the Historic Houses Trust (2013: \$17,794,433), \$3,993,552 for the Centennial Park and Moore Park Trust (2013: \$6,102,936) and \$657,833 for the Parramatta Park Trust (2013: \$691,770). Refer also to notes 1(a) and 3(g).

* Salaries and wages amounting to \$18,080,000 have been capitalised, and therefore excluded from the above.

Notes to the financial statements for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
(b) Other operating expenses include the following:		
Auditor's remuneration - audit of financial statements	318	523
Community events	2,693	1,961
Committee fees and expenses	505	563
Consultancy costs	5,057	5,539
Corporate services	9,128	9,439
Contractor – projects	27,655	86,930
Cost of sales	2,727	7,317
Expenses capitalised	(18)	(505)
Fees for services rendered	13,770	19,582
Insurance	11,191	14,720
Payments to NSW Government agencies	16,099	19,928
Legal costs	967	1,578
Motor vehicle expenses	1,197	1,261
Operating lease rental expense - minimum lease payments	33,723	35,876
Telephone and communication costs	3,660	5,331
Stores and minor assets	6,760	12,536
Training (staff development)	3,548	5,111
Travel costs	5,915	7,936
Other expenses	4,997	6,756
Other occupancy costs	11,680	13,344
Energy costs	2,421	3,762
Fleet costs	21,590	25,185
Information dissemination	4,402	7,231
Companion Animals Payment	3,146	3,486
Impairment of assets and bad debts	383	303
Water Licence - non capital purchase	22	35
Penalty charge	-	807
Sponsorships and donations	17,050	2,631
Maintenance expenses*	14,381	38,133
	224,967	337,299
<i>* Reconciliation - Total maintenance</i>		
Maintenance expense - contracted labour and other (non-employee related), as above	14,381	38,133
Employee related maintenance expense included in Note 2(a)	28,665	45,336
Total maintenance expenses included in Note 2(a) + 2(b)	43,046	83,469

Notes to the financial statements for the year ended 30 June 2014

	2014	2013
	\$'000	\$'000
(c) Depreciation and amortisation expense		
<u>Depreciation</u>		
Buildings and improvements		12,374
Furniture and fittings		1,925
Plant and Equipment		12,840
Roads and other access		32,003
Utilities and other infrastructure		28,367
Leasehold improvements		1,972
<u>Amortisation</u>		
Intangible assets		10,867

	2014	2013
	\$'000	\$'000
(d) Grants and subsidies		
Federal Government**		13,507
NSW Government *		279,487
Local government		12,426
Energy Savings Fund		4,666
Non-government organisations		19,420
Grants to external organisations		10,747
Miscellaneous grants approved by the Premier		1,492
Other		-
Pensioner Rebates		78,301
Regional and Rural Miscellaneous grants		779

* The above includes \$133,734,445 of expenditure relating to the Solar Bonus Reimbursement Scheme (2013: \$197,883,865).

** The above does not include \$265,277,595 (2013: \$673,811,129) paid for the Federal Financial Assistance Grants to NSW Local Councils up to 23 February 2014. (The receipt of \$265,277,595 (2013: \$673,811,129) is also not included). Until the separation of the Division of Local Government on 24 February 2014, the Department acted as an administrator in this scheme and had no control over the allocation or timing of the grants.

	2014	2013
	\$'000	\$'000
(e) Finance costs		
Interest expense from financial liabilities not at fair value through profit or loss	8,702	10,346
Unwinding of discount rate	468	142
	9,170	10,488

Notes to the financial statements for the year ended 30 June 2014

3 Revenue

	2014	2013
	\$'000	\$'000
(a) Appropriations		
Recurrent appropriations		
Total recurrent drawdowns from NSW Treasury (per Summary of compliance)		941,493
Less: Liability to Consolidated Fund (per Summary of compliance)		(7,026)
Comprising:		
Recurrent appropriations (per Statement of comprehensive income)	585,037	684,211
Transfer payments (per Note 7)	515,747	250,256
	1,100,784	934,467
Capital appropriations		
Total capital drawdowns from NSW Treasury (per Summary of compliance)	20,030	38,335
Less: Liability to Consolidated Fund (per Summary of compliance)	(869)	(779)
	19,161	37,556
Comprising:		
Capital appropriations (per Statement of comprehensive income)	19,161	37,556
	19,161	37,556

	2014	2013
	\$'000	\$'000
(b) Sale of goods and services		
Annual and day entry	11,375	16,270
Camping fees	7,914	9,718
Sale of assets under \$5,000	24	81
Sale of publications and stock	3,679	2,671
Community service	3,715	3,505
Hire of facilities	806	875
Miscellaneous park service	2,677	4,372
Minor user charges	2,689	3,999
Functions & Events	269	282
Other	2,172	1,672
Advertising	2,705	7,202
EPA Corporate Support	11,352	20,462
	49,377	71,109

	2014	2013
	\$'000	\$'000
(c) Investment revenue		
Interest revenue from financial assets not at fair value through profit and loss	5,896	8,121
Lease and rental of premises *	12,636	15,273
TCorp Hour-Glass Investment Facilities designated at fair value through profit and loss	683	1,290
	19,215	24,684

* Lease and rental revenue was derived by the Department from commercial leases and licences with private operators within the national parks.

Notes to the financial statements for the year ended 30 June 2014

	2014	2013
	\$'000	\$'000
(d) Retained taxes, fees and fines		
Licence and permits	788	941
Kangaroo and other royalties	687	856
Companion Animals registration fees	3,738	6,068
Fees Water Use Management	2,707	5,385
Parking, court and other	1,341	1,872
	9,261	15,122

	2014	2013
	\$'000	\$'000
(e) Grants and contributions		
Commonwealth government	870	14,060
NSW Government *	258,764	371,360
Local Government	299	1,788
Contributed assets	10,805	607
Other state governments	390	698
Private sector	3,723	3,098
Asset recognised first time	2,920	291
	277,771	391,902

* The above includes contributions of \$231,450,000 (2013: \$252,000,000) received under the Climate Change Fund.

	2014	2013
	\$'000	\$'000
(f) Personnel services		
Personnel services income	32,185	54,351
	32,185	54,351

	2014	2013
	\$'000	\$'000
(g) Acceptance by the Crown Entity of employee benefits and other liabilities		
The following liabilities and / or expenses have been assumed by the Crown Entity or other government entities:		
Superannuation - defined benefit	6,111	9,434
Long service leave	10,119	5,991
Payroll tax on superannuation	319	483
	16,549	15,908

	2014	2013
	\$'000	\$'000
(h) Other revenue		
Insurance recoveries	34,874	25,537
Miscellaneous	3,297	10,507
	38,171	36,044

(i) Revenue forgone

The Department's revenue did not include park-use fees which the Department forgoes through concessions such as free and discounted park-use permits provided to certain groups, including pensioners, volunteer fire-fighters, etc.

Notes to the financial statements for the year ended 30 June 2014

4 Gain / (Loss) on Disposal

	2014 \$'000	2013 \$'000
Proceeds from disposal of property, plant and equipment		
Land and buildings proceeds	-	1,255
Plant and equipment	505	351
Written down value of assets disposed	(718)	(3,422)
Net gain / (loss) on disposal of plant and equipment	(213)	(1,816)

5 Other Gains / (Losses)

	2014 \$'000	2013 \$'000
Intangibles revaluation	-	6,858)
Other gains/(losses)	(30)	-
	(30)	(6,858)

6 Conditions on Contributions

The Department received contributions, up to 23 February 2014, for specific purposes, e.g. restoration works or scientific research projects. The amount received during the year was \$256m. Contributions received during the year include climate change funds of \$231m.

Usually the conditions imposed upon the Department stipulate that grants provided are required to be spent on the specific project for which the funds are provided. Usually any funds that are not used on the specific project must be refunded to the donor body.

The Department also conducted research projects on behalf of a wide range of donor bodies. These bodies provide funds that are restricted to use on projects specified by the donor body. Strict terms and conditions can apply to the use of these funds. Any unspent funds can be returned to the donor bodies.

No externally imposed financial restrictions are operable in respect of the Department's assets (except cash) as a result of such contributions. In the case of research grants, assets of an intangible nature (e.g. intellectual property) may ensue. Due to the immateriality, all costs incurred are expensed.

The contributions which were unexpended as at 23 February 2014 were \$197m. The unexpended contributions were transferred to the Office of Environment and Heritage as part of the separation from the Department on 24 February 2014. Previously, contributions which were unexpended at the balance date were considered to be restricted assets (refer note 15).

Notes to the financial statements for the year ended 30 June 2014

7 Transfer Payments

The funding for the following is included in the annual budget allocation for the Department. These funds are transferred to these agencies progressively during the year, in accordance with their projected cash requirements.

	2014 \$'000	2013 \$'000
Nature Conservation Trust	125	775
Office of Environment and Heritage (from 23 February 2014)	131,729	-
Environment Protection Authority	102,122	114,143
Lord Howe Island Board	3,488	1,475
Centennial Parklands and Moore Park Trust	9,725	3,840
Historic Houses Trust	18,903	19,642
Parramatta Park Trust	1,543	2,969
Western Sydney Parklands Trust	5,338	5,394
Zoological Parks Board	14,854	16,701
Parliamentary Counsel's Office	3,464	-
Office of Local Government	10,447	-
Infrastructure NSW	8,524	8,818
Environmental Trust	52,347	35,164
Royal Botanic Gardens	29,239	36,622
Natural Resources Commission	4,853	4,713
Service NSW	119,046	-
	515,747	250,256

Notes to the financial statements for the year ended 30 June 2014

8 Service Groups of the Department

a) **Service Group 1: NSW 2021 Plan Leadership and Support**

Purpose:

This service group covers the provision of leadership and support in implementing the NSW 2021 Plan. Services include working with government agencies to support the development of agency action plans and helping develop performance measurement systems to deliver results against targets.

b) **Service Group 2: Delivery and Implementation Group**

Purpose:

This service group covers the support of major government and non-government initiatives that aid major investment and infrastructure development in New South Wales. This service group seeks to expedite the delivery of key government infrastructure projects, and the strategic management of projects and issues, often involving multiple stakeholders, across regional and metropolitan New South Wales.

c) **Service Group 3: Services and Capabilities Improvement**

Purpose:

This service group covers the enhancement of public sector service delivery performance. It involves undertaking agency, program, functional and major structural reviews of multiple agencies, developing sector-wide management improvement strategies, and helping agencies to resolve complex industrial relations and staff matters.

d) **Service Group 4: Policy Support**

Purpose:

This service group covers the provision of integrated, sector-wide policy advice, counsel and legislative support services.

e) **Service Group 5: Administrative Support for Government**

Purpose:

This service group covers a range of administrative and coordination functions to support the Governor, Premier, Executive Government, Cabinet and Remuneration Tribunals, managing State protocol, coordinating special events, providing logistic and information services, supporting special inquiries, and delivering corporate governance and support services.

f) **Service Group 6: Communications and Advertising**

Purpose:

This service group is responsible for the setting and administration of government advertising policy. It saves money for agencies in media buying and placement by managing whole-of-government contracts. This service group is also responsible for managing the approval process for proposed government advertising activity and publishing the central website portal and the Government Gazette.

g) **Service Group 7: Capacity Building, Oversight and Provision of Advice for Local Government**

Purpose:

This service group covers programs, resources, policy, guidelines and information provided to strengthen the capacity of local government to meet community needs.

h) **Service Group 8: Pensioner Rebate Scheme**

Purpose:

This service group covers the Pensioner Rebate Scheme, which provides rebates to local councils of up to 55 per cent of eligible pensioner council rates.

i) **Service Group 9: Responsible Pet Ownership Program**

Purpose:

This service group covers the Responsible Pet Ownership Program (formerly known as Companion Animals Program). This program regulates the ownership, care and management of companion animals by maintaining a record of registered cats and dogs, and promoting the appropriate care and management of companion animals.

j) **Service Group 10: Service NSW**

Purpose:

This service group covers the delivery of a range of NSW Government services and transactions through a 24/7 telephone service, an easy-to-use website and service centres across the state.

k) **Service Group 11: National Parks and Wildlife**

Purpose:

This service group manages, conserves and cares for over 7 million hectares of land within the national park system to conserve native plants, animals, ecosystems and cultural values of Aboriginal and historic heritage; manage and suppress pests, weeds and fire; provide opportunities for tourism, participation and visitation; and partner with Aboriginal communities and the broader community.

Notes to the financial statements for the year ended 30 June 2014

l) Service Group 12: Regional Operations and Heritage

Purpose:

This service group delivers integrated and customer-focused services (water and energy efficiency, sustainability, native vegetation, biodiversity, environment protection, environmental water management, compliance and enforcement, floodplain management, coastal protection, and private land conservation, and Aboriginal and historic heritage) at the regional and local level to strengthen communities and partnerships across NSW.

m) Service Group 13: Policy and Science

Purpose:

This service group provides scientific evidence and knowledge to underpin environmental decision making, conservation, regulation and service delivery, including providing research, imagery, laboratory and analytical support and decision support systems. It also provides policy advice and leads the review, development and coordination of strategic policy for the Office of Environment and Heritage.

n) Service Group 14: Protocol and Special Events

Purpose:

This service group provides management and coordination services for the Premier and NSW Government in protocol and ceremonial matters, special events, honours and awards and community programs. It also provides administrative support to Former Office Holders and supports the Governor in constitutional, ceremonial and community roles.

o) Service Group 15: Parliamentary Counsel's Office

Purpose:

This service group covers the provision of integrated sector-wide policy advice, counsel and legislative support services.

Notes to the financial statements for the year ended 30 June 2014

9 Current Assets - Cash and Cash Equivalents

	2014	2013
	\$'000	\$'000
Cash at bank and on hand	47,287	277,816
Cash at Treasury Corporation		36,317

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and TCorp deposits.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

	2014	2013
	\$ 000	\$ 000
Cash and cash equivalents (per statement of financial position)		314,133

Refer Note 15 for details on restricted cash balances.

Refer Note 26 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

10 Current Assets - Receivables

	2014	2013
	\$'000	\$ 000
Sale of goods and services		32,721
Less: Allowance for impairment		(642)
Goods and Services Tax recoverable from ATO		9,540
Prepayments		3,865
Accrued income		22,989
Other receivables		951
Movement in the allowance for impairment		
Balance at 1 July		3,217
Amounts written off during the year		(284)
Amounts recovered during the year		(2,621)
Amount transferred out due to administrative restructure		-
Increase / (decrease) in allowance recognised in profit or loss	99	330
Balance at 30 June	1	642

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 26.

11 Current Assets - inventories

	2014	2013
	\$'000	\$'000
Held for resale		
Finished goods		
Finished goods – shop stocks at cost	-	707
	-	707

Notes to the financial statements for the year ended 30 June 2014

12 Current Assets – Other Financial Assets

	2014	2013
	\$'000	\$'000
Current Other Financial Assets		
Other loans and deposits	-	16
	-	16

Refer to Note 26 for further information regarding credit risk, liquidity risk, and market risk arising from financial instruments.

13 Non-Current Assets - Property, Plant and Equipment

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Heritage and Cultural Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2013 - fair value					
Gross carrying amount	2,488,027	217,410	2,172,787	-	4,878,224
Accumulated depreciation and impairment	(264,121)	(140,409)	(755,437)	-	(1,159,967)
Net carrying amount	2,223,906	77,001	1,417,350	-	3,718,257
At 30 June 2014 - fair value					
Gross carrying amount	100,338	37,651	-	9,924	147,913
Accumulated depreciation and impairment	(2,291)	(19,357)	-	-	(21,648)
Net carrying amount	98,047	18,294	-	9,924	126,265

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Heritage and Cultural Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2014					
Net carrying amount at start of year	2,223,906	77,001	1,417,350	-	3,718,257
Additions	3,018	22,132	5,605	-	30,755
Transfers out due to administrative restructures	(2,215,932)	(65,874)	(1,379,891)	-	(3,661,697)
Disposals	(14)	(369)	(335)	-	(718)
Acquisitions through administrative restructures	98,841	-	-	9,924	108,765
Net revaluation increment less revaluation decrements	(4,492)	-	-	-	(4,492)
Assets recognised first time	849	8	-	-	857
Depreciation expense	(8,177)	(13,872)	(42,756)	-	(64,805)
Reclassifications	-	(732)	27	-	(705)
Writeback of depreciation on disposals	-	-	-	-	-
Other movements	48	-	-	-	48
Net carrying amount at end of year	98,047	18,294	-	9,924	126,265

Notes to the financial statements for the year ended 30 June 2014

	Land and Buildings*	Plant and Equipment	Infrastructure Systems	Heritage and Cultural Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2012 - fair value					
Gross carrying amount	2,477,482	208,974	1,997,859	-	4,684,315
Accumulated depreciation and impairment	(250,700)	(130,635)	(626,544)	-	(1,007,879)
Net carrying amount	2,226,782	78,339	1,371,315	-	3,676,436
At 30 June 2013 - fair value					
Gross carrying amount	2,488,027	217,410	2,172,787	-	4,878,224
Accumulated depreciation and impairment	(264,121)	(140,409)	(755,437)	-	(1,159,967)
Net carrying amount	2,223,906	77,001	1,417,350	-	3,718,257

* Includes land managed under Part 4A of the *National Parks and Wildlife Act, 1978*.

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting period is set out below.

	Land and Buildings	Plant and Equipment	Infrastructure Systems	Heritage and Cultural Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2013					
Net carrying amount at start of year	2,226,782	78,339	1,371,315	-	3,676,436
Additions	16,227	16,160	15,120	-	47,507
Transfers in / (out)	(78)	(478)	69	-	(487)
Disposals	(1,574)	(3,053)	(1,287)	-	(5,914)
Acquisitions through administrative restructures	(1,479)	-	-	-	(1,479)
Net revaluation increment less revaluation decrements	(4,482)	-	92,502	-	88,020
Assets recognised for first time	-	291	-	-	291
Depreciation expense	(12,374)	(16,737)	(60,369)	-	(89,480)
Writeback of depreciation on disposals	-	2,500	-	-	2,500
Reclassifications	-	(21)	-	-	(21)
Transfers from current assets	277	-	-	-	277
Other movements	607	-	-	-	607
Net carrying amount at end of year	2,223,906	77,001	1,417,350	-	3,718,257

Further detail regarding the fair value measurements of Property, Plant and Equipment are disclosed in Note 16.

The Department also continues to derive service potential and economic benefit from some fully depreciated assets that have not been revalued this financial year. The impact of valuation is likely to be minimal as most fully depreciated assets are likely to be in poor condition and therefore may or may not have zero value.

Notes to the financial statements for the year ended 30 June 2014

14 Intangible Assets

	Software at Fair Value	Software at cost	Water Licence at Fair Value	Total
	\$'000	\$'000	\$'000	\$'000
At 1 July 2013				
Gross carrying amount at cost	85,265	10,317	154,427	250,009
Accumulated amortisation and impairment	(62,618)	(8,492)	-	(71,110)
Net carrying amount	22,647	1,825	154,427	178,899
At 30 June 2014				
Gross carrying amount at cost	-	9,128	-	9,128
Accumulated amortisation and impairment	-	(5,011)	-	(5,011)
Net carrying amount	-	4,117	-	4,117
Year ended 30 June 2014				
Net carrying amount at start of year	22,647	1,825	154,427	178,899
Additions	4,910	2,801	-	7,711
Transfers out due to administrative restructures	(23,344)	(336)	(165,184)	(188,864)
Amortisation (recognised in "Depreciation and amortisation")	(6,268)	(886)	-	(7,154)
Reclassification	(8)	713	-	705
Other movements	2,063	-	10,757	12,820
Net carrying amount at end of year	-	4,117	-	4,117

	Software at Fair Value	Software at cost	Water Licence at Fair Value	Total
	\$'000	\$'000	\$'000	\$'000
At 1 July 2012				
Gross carrying amount at cost	75,684	9,630	161,285	246,599
Accumulated amortisation and impairment	(53,025)	(7,389)	-	(60,414)
Net carrying amount	22,659	2,241	161,285	186,185
At 30 June 2013				
Gross carrying amount at cost	85,265	10,317	154,427	250,009
Accumulated amortisation and impairment	(62,618)	(8,492)	-	(71,110)
Net carrying amount	22,647	1,825	154,427	178,899
Year ended 30 June 2013				
Net carrying amount at start of year	22,659	2,241	161,285	186,185
Additions	9,298	665	-	9,963
Transfers in	470	-	-	470
Net revaluation decrement	-	-	(6,858)	(6,858)
Transfers out through Administrative Restructure	(7)	-	-	(7)
Amortisation (recognised in "Depreciation and amortisation")	(9,765)	(1,102)	-	(10,867)
Disposals	(8)	-	-	(8)
Reclassification	-	21	-	21
Net carrying amount at end of year	22,647	1,825	154,427	178,899

The Department also continues to derive service potential and economic benefit from some fully amortised assets that have not been revalued this financial year. The impact of valuation is likely to be minimal as most fully depreciated assets are likely to be obsolete and therefore may or may not have zero value.

Notes to the financial statements for the year ended 30 June 2014

15 Restricted Assets

	2014	2013
	\$'000	\$'000
Current		
Cash at TCorp	-	24,486
Funds owed to Service NSW	-	6,107
Unexpended Contributions		
- Climate Change Fund	-	158,783
- Other contributions	-	9,308
	-	198,684

The above amounts were recognised as restricted assets as there are specific legislative or contractual conditions associated with the use of these funds.

Cash at TCorp represented unspent funds provided by Snowy Hydro Ltd to assist with the remediation of sites formerly occupied by that organisation. This balance was transferred out with the separation of Office of Environment and Heritage on 24 February 2014.

The Department had a wide range of assets under its control, such as historic buildings, dedicated land and specified sites, which are subject to restrictions on their use by virtue of the National Parks and Wildlife Act 1974. These restrictions include disposal of the asset or, under certain circumstances, exploitation for financial or economic gain. Additional restrictions may be brought to bear by the Department's stakeholders as well as other legislation governing the use of historic sites and buildings. Unexpended contributions as at 23 February 2014 totalled \$197m. These assets were transferred out with the separation of Office of Environment and Heritage on 24 February 2014.

16 Fair value measurement of non-financial assets

(a) Fair value hierarchy

		Level 1	Level 2	Level 3	Total fair value
2014	Notes	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	13				
Land and buildings		-	-	98,047	98,047
Plant and equipment		-	18,294	-	18,294
Heritage and cultural assets		-	9,924	-	9,924
		-	28,218	98,047	126,265

There were no transfers between Level 1 or 2 during the period.

(b) Valuation techniques, inputs and processes

For non-specialised assets with short useful lives, AASB 13 allows recognition at depreciated historical cost as an acceptable surrogate for fair value as differences are considered immaterial. Thus the values considered above are fair value for Plant & Equipment and Leasehold Improvements. The Department has allocated these types of equipment to level 2 based on the fact that once these items are in use, level 2 is considered more appropriate as indirect observable market is available.

Land and building are measured at fair value using indexation factors provided by NSW Land and Property Information.

Collection assets are valued by external and internal experts to reflect the fair value. The collection assets are reviewed for external revaluation at least every five years as part of a rolling revaluation schedule across the Trust. The review is undertaken by the Historic Houses Trust of New South Wales Valuations Committee, comprised of curatorial representatives from the properties as well as Register, Documentation and the Head of Collection and Access, which is convened annually to identify those collection formats which might have altered since the last valuation, whether or not that valuation was made within the five year rolling schedule. The committee contracts one or more external valuers with appropriate expertise in the collection formats that have been identified for revaluation.

Notes to the financial statements for the year ended 30 June 2014

(c) Reconciliation of recurring level 3 fair value measurements

2014	Notes	Land and buildings (Government House) \$'000	Total Recurring level 3 Fair value \$'000
Acquisitions through administrative restructures	21		
Depreciation	2(c)		

17 Current Liabilities - Payables

	2014 \$'000	2013 \$'000
Accrued salaries, wages and on-costs		11,018
Creditors		131,214
Unearned revenue		1,462
Redundancies		2,416

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 26.

18 Current / Non-Current Liabilities - Borrowings

	2014 \$'000	2013 \$'000
Current Borrowings		
Secured / Unsecured		
Treasury advances repayable-non interest bearing	-	33,041
	-	33,041
Non-current Borrowings		
Treasury advances repayable - interest bearing	-	59,361
Treasury advances repayable-non- interest bearing - Solar Bonus Reimbursement Scheme	-	205,287
	-	264,648

The Solar Bonus Reimbursement Scheme is a scheme to promote small scale renewable energy infrastructure across NSW. The scheme is administered by the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and delivered by electricity Distribution Network Services Providers (DNSPs) under the Electricity Supply Act 1995. The DNSPs (through electricity retailers) are responsible for the metering and payments to the owners of the small scale renewable energy infrastructure. The bulk of this is in the form of small scale (up to 10 kilowatts) solar panel systems on residential dwellings. Government decision during 2011 has seen the Climate Change Fund (which is administered by the Office of Environment and Heritage under the Energy and Utilities Administration Act 1987) as the mechanism for reimbursing the DNSPs costs incurred under the Solar Bonus Scheme (SBSRP). In order to meet the cost reimbursement requirements, Treasury loan has been provided by the NSW Crown. This was in the form of an interest free advance for funding requirements from 2010/11 to 2013/14. The advance has been transferred with Office of Environment and Heritage as part of its separation from the Department on 24 February 2014 and will be fully repaid from additional Climate Change Fund contributions levied on utility bills by 30 June 2017.

Treasury advance repayable (non-interest bearing) was recognised at fair value, being the present value of future repayments, discounted by using the 10 year government bond rate. Any additional amount borrowed, i.e. difference between the amount borrowed and the present value, is recognised as grant revenue. Unwinding of discount will be recognised as finance cost.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 26.

The repayable schedule of the interest-bearing Treasury repayable advances has been determined in the context of the State Infrastructure Strategy. No repayments are scheduled to commence within the next 12 months.

Although the Office of Environment and Heritage did not have the power to borrow funds (i.e. loans) under the Public Authorities (Financial Arrangements) Act 1987, specific approval was given by the NSW Treasurer for these advances.

Notes to the financial statements for the year ended 30 June 2014

19 Current / Non-Current Liabilities - Provisions

	2014	2013
	\$'000	\$'000
Current Provisions		
Employee Benefits and related on-costs	7,220	38,502
Annual Leave including on-costs	949	16,510
Long Service Leave on-costs	988	1,310
Current Employee benefits and related on-cost provisions	9,157	56,322
Restoration costs	1,974	-
Total Current Provisions	11,131	56,322
Non-current Provisions		
Long service leave on- costs	50	752
Payroll Tax	33	47
Non-current Employee benefits and related on-cost provisions	83	799
Restoration costs	3,411	13,533
Total Non-current Provisions	3,494	14,332
Employee Benefits and related on-costs	9,240	57,121
Restoration Costs	5,385	13,533
Total Provisions	14,625	70,654

	2014	2013
	\$'000	\$'000
Aggregate employee benefits and related on-costs		
Provisions - current	9,157	56,322
Provisions - non-current	83	799
Accrued salaries, wages and on-costs (Note 17)	2,408	11,018
	11,648	68,139

The Department's liabilities for long service leave are assumed by the Crown Entity. However the Department has an obligation to meet the long service related on-costs.

Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits are set out below:

	2014	2013
	\$'000	\$'000
Provision for Restoration Costs		
Carrying amount at the beginning of financial year	13,533	11,885
Unwinding /change in discount rate	468	264
Amount transferred out due to administrative restructure	(7,568)	-
Unused amount reversed	(3,489)	-
Additional provisions recognised	3,148	1,515
Amounts used	(707)	(131)
Carrying amount at end of financial year	5,385	13,533

Notes to the financial statements for the year ended 30 June 2014

20 Current / Non-Current Liabilities - Other

	2014	2013
	\$'000	\$'000
Other - current		
Liability to consolidated fund	3,205	7,805
Unamortised leasehold incentive	2,884	-
Security deposits	-	56
Unearned revenue	381	681
Payable to the Crown	-	19
	6,470	8,561
Other - non-current		
Unamortised leasehold incentive	31,041	-
	31,041	-

21 Increase / Decrease in Net Assets From Equity Transfers

Transfers out period ended 30 June 2014

Following the issuing of *Administrative Arrangements Order 2014* commencing 24 February 2014, the employees and property relating to the Office of Environment and Heritage, Office of Local Government and Parliamentary Counsel's Office were transferred out of the Department of Premier and Cabinet to separate agencies.

Office of Environment and Heritage

The Office of Environment and Heritage (OEH) included Service Groups: 11 National Parks and Wildlife; 12 Regional Operations and Heritage; and 13 Policy and Science.

Notes to the financial statements for the year ended 30 June 2014

	OEH 23 February 2014 \$'000
Assets	
Current assets	
Cash and cash equivalents	408,095
Receivables	76,407
Inventories	707
Other financial assets	17
Total current assets	485,226
Non-current assets	
Property, plant and equipment	
- Land and building	2,215,932
- Plant and equipment	64,950
- Infrastructure systems	1,379,891
Total property, plant and equipment	3,660,773
Intangible assets	188,528
Total non-current assets	3,849,301
Total assets	4,334,527
Liabilities	
Current liabilities	
Payables	150,285
Borrowings	34,697
Provisions	43,999
Other	3,924
Total current liabilities	232,905
Non-current liabilities	
Borrowings	271,693
Provisions	7,978
Total non-current liabilities	279,671
Total liabilities	512,576
Net assets	3,821,951

Office of Local Government

Office of Local Government (OLG) included Service Groups: 7 Capacity Building, Oversight and Provision of Advice for Local Government; 8 Pensioner Rebate Scheme; and 9 Responsible Pet Ownership Program.

Notes to the financial statements for the year ended 30 June 2014

	OLG 23 February 2014 \$'000
Assets	
Current assets	
Cash and cash equivalents	6,291
Receivables	1,622
Total current assets	7,913
Non-current assets	
Property, plant and equipment	
- Plant and equipment	237
Intangible assets	68
Total non-current assets	305
Total assets	8,218
Liabilities	
Current liabilities	
Payables	1,747
Provisions	1,030
Total current liabilities	2,777
Non-current liabilities	
Provisions	362
Total non-current liabilities	362
Total liabilities	3,139
Net assets	5,079

Notes to the financial statements for the year ended 30 June 2014

Parliamentary Counsel's Office (PCO)

	PCO 23 February 2014 \$'000
Assets	
Current assets	
Cash and cash equivalents	1
Receivables	4
Total current assets	5
Non-current assets	
Property, plant and equipment	
- Plant and equipment	687
Intangible assets	268
Total non-current assets	955
Total assets	960
Liabilities	
Current liabilities	
Payables	-
Provisions	610
Total current liabilities	610
Non-current liabilities	
Provisions	261
Total non-current liabilities	261
Total liabilities	871
Net assets	89

Transfers in period ended 30 June 2014

Government House

	Government House 2014 \$'000
Assets	
Other financial assets	-
Property, plant and equipment	
- Land and building	98,134
- Plant and equipment	9,923
Total property, plant and equipment	108,057
Total non-current assets	108,057
Total assets	108,057

Notes to the financial statements for the year ended 30 June 2014

Other Transfers In

Transfers of land and associated infrastructure (to)/from other agencies, which are treated as 'administrative restructures' are detailed below (refer to Note 1)

	2014 \$'000
Department/Agency	
Crown Land	7
Forestry	288
Roads and Maritime Services	413
Net assets	708

Total transfers out of the Department were \$3,827.1m.

Total transfers in of the Department were \$108.8m.
Net transfers out of the Department were \$3,718.3m.

Transfers year ended 30 June 2013

Transfers Out

Public Sector Industrial Relations Unit

On 1 July 2012 the Public Sector Industrial Relations Unit was transferred to the Department of Finance and Services.

	2013 \$'000
Assets	
Current assets	
Cash and cash equivalents	129
Total current assets	129
Non-current assets	
Property, plant and equipment	
- Plant and equipment	4
Total property, plant and equipment	4
Intangible assets	-
Total non-current assets	4
Total assets	133
Liabilities	
Current liabilities	
Provision	129
Total current liabilities	129
Total liabilities	129
Net assets	4

Notes to the financial statements for the year ended 30 June 2014

Service NSW

Effective 14 June 2013, staff, assets and liabilities relating to the Service NSW unit within the Department was transferred to the Service New South Wales agency.

	2013 \$'000
Assets	
Current assets	
Receivables	14,651
Total current assets	14,651
Non-current assets	
Property, plant and equipment	
- Plant and equipment	9,780
Total property, plant and equipment	9,780
Intangible assets	1,216
Total non-current assets	10,996
Total assets	25,647
Liabilities	
Current liabilities	
Payables	14,328
Provision	332
Total current liabilities	14,660
Total liabilities	14,660
Net assets	10,987

Other Transfers Out

Transfers of land and associated infrastructure (to)/from other agencies, which are treated as 'administrative restructures' are detailed below (refer note 1(m)):

	2013 \$'000
Department / Agency	
EPA	7
Land transferred from LPI	(161)
Land transferred to Newcastle Ports	1,640
Net assets	1,486
Provision	-
Total non-current liabilities	-
Total liabilities	-
Net assets	1,486

Net transfers out of the Department were \$12.5m.

Notes to the financial statements for the year ended 30 June 2014

22 Commitments for Expenditure

	2014	2013
	\$'000	\$'000
(a) Capital Commitments		
Aggregate capital expenditure contracted for at balance date and not provided for:		
Not later than one year	-	439
Total (including GST)	-	439
(b) Operating Lease Commitments		
Future non-cancellable operating lease rentals not provided for and payable		
Not later than one year	11,350	49,817
Later than one year and not later than five years	70,135	44,925
Later than five years	84,544	570
Total (including GST)	166,029	95,312

The operating lease commitments relate to leasing of office space and motor vehicles. The expenditure above includes input tax credits of \$15.09 million (2013: \$8.75 million) that are expected to be recoverable from the ATO.

23 Contingent Liabilities and Contingent Assets

Contingent Liabilities

The Department is not aware of any significant or material contingent liability in existence at 30 June 2014 or which has emerged subsequent to this date, which may materially impact on the financial position of the Department as shown in the financial statements.

Contingent assets

There are no other known contingent assets at balance date.

24 Budget Review

The comparison of the financial performance for the year to 30 June 2014 and the financial position at the year end is significantly impacted by the separation of the Office of Environment and Heritage, Division of Local Government and the Parliamentary Counsel's Office from the Department, from 24 February 2014, pursuant to *Administrative Arrangements Order 2014*. The performance for the year to 30 June 2014 only reflects approximately two thirds of the activities of the separated divisions and excludes their financial position at year end, whereas the budget reflects the full year transactions and the financial position as if the operations were still part of the Department.

The commentary noted below attempts to isolate the impact of the separation from the variances of the ongoing operations.

Net Result

The net result indicates a favourable variance to budget with a surplus of \$82.0 million compared with a budgeted deficit of \$59.5 million.

The major components of the favourable/(unfavourable) variance were:

- \$149.7m Favourable variance for separated divisions. (*)
- \$10.8m Water Licenses transferred to Office of Environment and Heritage for free
- \$(5.8)m Additional expenses arising from commencement of the 52 Martin Place lease
- \$(4.3)m Deferral of Capital Expenditure, thereby reducing Capital Appropriation revenue
- \$(2.2)m Higher Pensioner Rate Rebate Claims on the Division of Local Government

(*) reflecting the unused budget of the operations transferred from the Department on 24 February 2014

Assets and Liabilities

The separation of the operations noted above has greatly reduced the balances within the Statement of Financial Position.

Noted below is a summary of the key increases/ (decreases) to the Budget for the ongoing operations of the Department.

- \$ 22.1m Current Assets, Sundry Debtor - reflecting unused value of 52 Martin Place Lease Incentive
- \$109.5m Fixed Assets – Inclusion of the Government House asset following its transfer from Historic Houses Trust in December 2013
- \$ 15.7m Fixed Assets – additional Work In Progress balance reflecting the development of the new 52 Martin Place office
- \$ 31.0m Non-Current Liabilities – Unamortised Leasehold Incentive relating to 52 Martin Place Incentive
- \$ 2.4m Other Current Liabilities – Liability to Consolidated Fund

The Net Assets position of \$117.6m is \$109m higher than budget following the equity transfer in of the Government House assets.

Cash flows

The Cash Balance of \$47m for the ongoing operations, is higher than budget as a result of the following factors:

- \$ 3.2m Excess appropriations to be returned to the Consolidated Fund – Balance in Other Current Liabilities
- \$ 10.5m Amounts payable to Office of Local Government and Parliamentary Counsel's Office, awaiting opening of their bank account.

Appropriations received from Consolidated Fund.

Notes to the financial statements for the year ended 30 June 2014

25 Reconciliation of Cash Flows From Operating Activities to Net Result

	2014	2013
	\$'000	\$'000
Net cash used on operating activities		19,257
Net adjustments for equity transfer		1,486
Depreciation		(100,348)
Contributed assets		607
Decrease / (increase) in provisions		684
Increase / (decrease) in receivables		20,978
(Increase) / decrease in creditors		(3,552)
Net gain / (loss) on sale of plant and equipment		(1,816)
Other gain / (loss)		(6,858)
Decrease / (increase) in other liabilities		10,580
(Increase) / decrease in borrowings		13,413
Asset recognised for the first time		291
Increase / (decrease) inventories	(707)	(40)
Net result	81,977	(45,318)

26 Financial Instruments

The Department's principal financial instruments are outlined below. These financial instruments arise directly from the Department's operations or are required to finance the Department's operations. The Department does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Department's main risks arising from financial instruments are outlined below, together with the Department's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Secretary has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Department, to set risk limits and controls and to monitor risks. The Audit and Risk Committee and Internal Auditors assist in the review of compliance with policies.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
Class:			2014	2013
			\$'000	\$'000
Cash and cash equivalents	9	N/A		314,133
Receivables ¹	10	Loans and receivables (at amortised cost)		56,068
Other financial assets	12	Loans and receivables (at amortised cost)		16
Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
Class:			2014	2013
			\$'000	\$'000
Payables ²	17	Financial liabilities measured at amortised cost	36,579	144,648
Borrowings	18	Financial liabilities measured at amortised cost	-	297,688
Other	20	Financial liabilities measured at amortised cost	33,925	-

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

Notes to the financial statements for the year ended 30 June 2014

(b) Credit Risk

Credit risk arises when there is the possibility of the Department's debtors defaulting on their contractual obligations, resulting in a financial loss to the Department. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises through the holding of financial assets, including cash, receivables and authority deposits. No collateral is held by the Department. No financial guarantees have been provided by the Department.

Credit risk associated with the Department's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 14 or 30 day terms.

The Department is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2014: \$801k; 2013: \$27,016) and less than 3 months past due (2014: \$250k; 2013: \$4,650k) are not considered impaired and together these represent 87% of the total trade debtors. Most of the Department's debtors have a AAA credit rating.

The only financial assets that are past due or impaired are "sales of goods and services" in the "receivables" category of the Statement of Financial Position.

	\$'000		
	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
2014			
< 3 months overdue	250	250	-
3 months – 6 months overdue	141	141	-
> 6 months overdue	13	12	1
	\$'000		
	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
2013			
< 3 months overdue	4,708	4,650	58
3 months – 6 months overdue	287	215	72
> 6 months overdue	710	198	512

Notes

1. Each column in the table reports "gross receivables".
2. The ageing analysis excludes receivables that are not past due and not impaired. Therefore the "total" will not reconcile to the receivables total recognised in the statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that the Department will be unable to meet its payment obligations when they fall due. The Department continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Department's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

The table below summarises the maturity profile of the Department's financial liabilities, together with the interest rate exposure.

Notes to the financial statements for the year ended 30 June 2014

Maturity Analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Nominal Amount	Fixed Interest Rate	Interest Rate Exposure		Non interest bearing	Maturity Dates		
				Variable Interest Rate	\$'000		< 1 yr	1 - 5 yrs	> 5 yrs
2014									
<i>Payables:</i>									
Accrued salaries, wages and on-costs	-	2,633	-	-	-	2,633	-	-	-
Creditors	-	33,946	-	-	-	33,946	-	-	-
Unamortised discounts	-	33,925	-	-	-	33,925	11,535	19,506	-
Total		70,504	-	-	-	70,504	11,535	19,506	19,506
2013									
<i>Payables:</i>									
Accrued salaries, wages and on-costs	-	13,434	-	-	-	13,434	-	-	-
Creditors	-	131,214	-	-	-	131,214	-	-	-
Advances repayable	5.72	455,730	185,161	-	-	270,569	220,065	209,650	-
Total		600,378	185,161	-	-	415,217	220,065	209,650	209,650

Notes to the financial statements for the year ended 30 June 2014

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Department's exposures to market risk are primarily through interest rate risk on the Department's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities. The Department has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Department operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2013. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through the Department's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. These borrowings were transferred out of the Department when Office of Environment and Heritage separated on 24 February 2014.

The Department does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Department's exposure to interest rate risk is set out below.

Consolidated	Carrying Amount	1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2014					
<i>Financial assets</i>					
Cash and cash equivalents	47,287	(473)	(473)	473	473
Receivables	25,365	(253)	(253)	253	253
Other financial assets	-	-	-	-	-
<i>Financial liabilities</i>					
Payables	36,579	366	366	(366)	(366)
Borrowings	-	-	-	-	-
Other liabilities	33,925	339	339	(339)	(339)
2013					
<i>Financial assets</i>					
Cash and cash equivalents	314,133	(3,141)	(3,141)	3,141	3,141
Receivables	56,068	(561)	(561)	561	561
Other financial assets	16	-	-	-	-
<i>Financial liabilities</i>					
Payables	144,648	1,446	1,446	(1,446)	(1,446)
Borrowings	297,688	2,977	2,977	(2,977)	(2,977)

Other price risk - TCorp Hour-Glass facilities

Exposure to 'other price risk' primarily arose through the investment in the TCorp Hour-Glass Investment facilities, which are held for strategic rather than trading purposes. These were transferred out with the separation of Office of Environment and Heritage on 24 February 2014. The Department has no direct equity investments. The Department held units in the following Hour-Glass investment trusts:

Notes to the financial statements for the year ended 30 June 2014

Facility	Investment Sectors	Investment Horizon	2014 \$'000	2013 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years		36,317

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp is trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Department's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

	Change in unit price	Impact on profit/loss	
		2014 \$'000	2013 \$'000
Hour Glass Investment - Cash facility	+/- 3.19%		1,158

(e) Fair value measurement

(i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value.

Except where specified below, the amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments. The following table details the financial instruments where the fair value differs from the carrying amount:

	2014 \$'000	2014 \$'000	2014 \$'000	2013 \$'000	2013 \$'000
	Carrying amount	Fair value	Fair value level	Carrying amount	Fair value
Financial assets					
TCorp Hour-Glass Investment Facility	-			36,317	36,317

(ii) Fair value recognised in the statement of financial position

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2014 Total \$'000
Financial assets at fair value				
TCorp Hour-Glass Investment Facility	-	-	-	-
	-	-	-	-

The table above only includes financial assets, as no financial liabilities were measured at fair value in the statement of financial position.

There were no transfers between level 1 and 2 during the period ended 30 June 2014

Notes to the financial statements for the year ended 30 June 2014

	Level 1	Level 2	Level 3	2013
	\$'000	\$'000	\$'000	Total \$'000
Financial assets at fair value				
TCorp Hour-Glass Investment Facility	-	36,317	-	36,317
	-	36,317	-	36,317

The table above only includes financial assets, as no financial liabilities were measured at fair value in the statement of financial position.

There were no transfers between level 1 and 2 during the period ended 30 June 2013

Hour-Glass Investment Facilities

The Department has investments in TCorp's Hour-Glass Investment facilities. The Department's investments are represented by a number of units in managed investments within the facilities. Each facility has different investment horizons and comprises a mix of asset classes appropriate to that investment horizon. TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.

The Department's investments were:

	2014	2013
	\$'000	\$'000
TCorp Hour-Glass Investment Facility	-	36,317
	-	36,317

27 Events After the Reporting Period

Other than noted below there are no matter or circumstance that have arisen since 30 June 2014 that have significantly affected, or may significantly affect the Department's operations, the result of those operations, or the state of affairs in future financial years.

At 30 June 2014, Government Property NSW (GPNSW) had entered into a settlement agreement with Dexus Property Group (as landlord) in relation to the settlement of all liabilities arising from its tenancy in Governor Macquarie Tower, 1 Farrer Place, Sydney (GMT). The terms of the settlement are commercial in confidence. The Department and the Treasury are the current occupiers of the tenancy, sub tenants of GPNSW and meet all obligations of GPNSW under the Head Lease, in proportion to their occupied floor space. The Head Lease expires on 31 December 2014 and GPNSW, on behalf of the Department and the Treasury, provided notice that the tenancy will be vacated by that date.

The agreement requires GPNSW to pay the landlord an amount in full settlement of its liabilities under the Head Lease, including the Make Good or Rectification obligations. In addition to the payment, the agreement requires that the Department vacates certain floors by 31 October 2014, with the residual of floors across the tenancy to be vacated by 31 December 2014.

In the event that the Department is unable to vacate the nominated floors by 31 October 2014, the settlement amount increases.

At 30 June 2014, the Department assessed the risks relating to the move to our new premises and their impact on the timing of vacating the GMT premises. The decision was made that there were risks in relation to the earlier partial move and as a result the Department accrued its share of the higher settlement amount, i.e. the settlement amount payable where the floors nominated for vacancy by 31 October 2014, remained occupied at that date.

At the time of signing the Financial Statements, the Department is of the view that there is no additional information that would change the assessment of risk arising from the settlement of the GMT obligations and as a result considers that the accrual of the higher settlement amount is appropriate.

End of audited financial statements

ADMINISTRATION

PRIVACY MANAGEMENT PLAN

Clause 6 of the Annual Reports (Departments) Regulation 2010 requires a statement of the action taken by DPC in complying with the requirements of the *Privacy and Personal Information Protection Act 1998* (the *PPIP Act*), and statistical details of any review conducted by or on behalf of DPC under Part 5 of that Act.

In compliance with the provisions of the *PPIP Act*, DPC has a Privacy Management Plan (PMP) and has a designated Privacy Contact Officer. Mechanisms have been established to make staff aware of the *PPIP Act* and other privacy obligations. DPC's privacy policy is clearly set out at paragraphs 2.18–2.20 of its Code of Conduct. New staff members are briefed when joining DPC on their obligations under the code, including in relation to the handling of personal information.

The PMP was reviewed and amended in 2012. It is published on DPC's website:
www.dpc.nsw.gov.au/___data/assets/pdf_file/0005/145058/Privacy_Management_Plan.pdf

PMPs for OEH and DLG are annexed to the DPC's PMP and available online at:
www.environment.nsw.gov.au/help/privacy.htm
www.dlg.nsw.gov.au/dlg/dlghome/dlg_index.asp

DPC's Privacy Contact Officer can be contacted at:

Privacy Contact Officer

Information Access Unit
 Office of General Counsel
 Department of Premier and Cabinet
 GPO Box 5341
 SYDNEY NSW 2001
 Phone: (02) 9228 5871
 Fax: (02) 9228 5542

Internal reviews

No internal reviews were conducted by or on behalf of DPC under Part 5 of the *PPIP Act* or under the *Health Records and Information Privacy Act 2002* (the *HRIP Act*) during 2013–2014.

PUBLIC INTEREST DISCLOSURES

The *Public Interest Disclosures Act 1994*, section 31, requires each public authority to prepare an annual report on obligations under the Act. In accordance with Section 4 of the *Public Interest Disclosures Regulation 2011*, the following information is provided on public interest disclosures for the period 1 July 2013 to 30 June 2014 includes DLG, OEH and PCO data covering the period 1 July to 23 February 2014):

- (a) Number of public officials who made public interest disclosures....2
- (b) Number of public interest disclosures relating to possible or alleged:
 - (i) corrupt conduct....2
 - (ii) maladministration....1
 - (iii) serious and substantial waste of public money....0
 - (iv) government information contraventions....0
 - (v) local government pecuniary interest contraventions....0

TOTAL number of public interest disclosures received....3

The public interest disclosure was received under section 25 of the *Public Interest Disclosures Act 1994*.

- (c) Number of public interest disclosures (received since 1 Jan 2012) that have been finalised in this reporting period....1
- (d) An internal reporting policy was established, which is consistent with the NSW Ombudsman's model policy.
- (e) Actions taken to ensure staff awareness of the policy and the protections under the Act are:
 - Messages in staff circulars and an email message sent to all staff on the provisions of the *Public Interest Disclosures Act 1994*.
 - Training provided to new staff as part of the induction program.
 - The internal Public Interest Disclosures Policy and Procedures document approved by the Secretary and emailed to all staff, with the email highlighting the main changes from the Act that affect staff.

- Email from the Secretary to all staff reminding them of the protection offered by the Act when making a disclosure and referring them to the policy document on the Intranet.
- Links on the intranet to the Public Interest Disclosures Policy and Procedures.
- Links in other departmental policies to the Public Interest Disclosures Policy and Procedures.
- Link on the internet to the Public Interest Disclosures Policy and Procedures.
- Reference to the *Public Interest Disclosures Act* has been included in other departmental policies.
- A procedures manual on how to handle public interest disclosures issued to public interest disclosures coordinators.
- Staff responsible for administering the *Public Interest Disclosures Act* attended training conducted by the Ombudsman's Office.
- Discussions on public interest disclosures held at staff meetings.
- Public interest disclosure posters displayed throughout DPC.
- The Ombudsman's public interest disclosures newsletter and relevant emails are received as a means of keeping aware of current PID developments.

Section 6CA of the Act requires each public authority to provide a report for each six month period to the Ombudsman on compliance with the obligations under the Act. In accordance with the Ombudsman's reporting system, information as shown above was provided within the statutory deadlines.

CONTROLLED ENTITIES

DPC is a separate reporting entity with no other entities under its control. DLG and OEH have no entities under their control.

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

Obligations under the *GIPA Act*

1. Review of proactive release program — Clause 7(a)

Under section 7 of the *GIPA Act*, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

DPC's program for the proactive release of information involves reviewing the information sought and released pursuant to GIPA applications received over the financial year, considering the kinds of government information held by the DPC that may be suitable for proactive release, and asking the DPC's groups and branches to submit information that is suitable for proactive release to the DPC's Information Access Unit (IAU). Following this review, the IAU considers whether there are any public interest considerations against disclosure of the information, whether consultation is required, and whether this would impose unreasonable additional costs to the DPC.

During the reporting period, the DPC continued this program by issuing a Memorandum to groups and branches requiring them to report to the IAU on any information which they hold which may be suitable for authorised proactive release. This year's review also included consideration of the accessibility of the DPC's publicly available information in compliance with C2012—08 NSW Government Website Management Circular.

During this reporting year, the Premier announced that ministers would proactively release information about their scheduled meetings held with stakeholders, external organisations and individuals on portfolio related activities. This information will be published on the DPC's website on a quarterly basis. Detailed information concerning unsolicited proposals continues to be publicly available at www.nsw.gov.au/unsolicitedproposals

OpenGov NSW contains information published by NSW Government agencies, including annual reports and open access information released under the *GIPA Act 2009*. The DPC's Annual Report, is also publicly available on the OpenGov NSW website at www.opengov.nsw.gov.au

2. Number of access applications received – Clause 7(b)

During the reporting period, DPC (including OEH and DLG) up to 23 February 2014¹ received a total of 131 formal access applications (including withdrawn applications but not invalid applications).

3. Number of refused applications for Schedule 1 information – Clause 7(c)

During the reporting period, DPC refused a total of 16 formal access applications because the information requested was referred to in Schedule 1 to the *GIPA Act*. Of those applications, five were refused in full, and 11 were refused in part.

Statistical information about access applications – Clause 7(d) and Schedule 2

Table A Number of applications by type of applicant and outcome*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	12	5	0	1	0	2	0	7
Members of Parliament	10	5	1	2	0	1	0	0
Private sector business	0	0	0	0	0	0	0	0
Not-for-profit organisations or community groups	1	1	1	2	1	0	0	0
Members of the public (application by legal representative)	6	6	2	1	0	1	0	2
Members of the public (other)	14	14	4	7	2	11	0	1

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B Number of applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	2	1	0	0	0	0	0	0
Access applications (other than personal information applications)	41	30	8	13	3	14	0	10
Access applications that are partly personal information applications and partly other	0	0	0	0	0	1	0	0

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).
The total number of decisions in Table B should be the same as Table A.

¹ OEH and DLG were part of the DPC until the *Government Sector Employment Act 2013* commenced on 24 February 2014. Reporting for OEH and DLG is therefore between 1 July 2013 and 23 February 2014.

Table C
Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	6
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
TOTAL number of invalid applications received	6
Invalid applications that subsequently became valid applications	2

Table D
Conclusive presumption of overriding public interest against disclosure:
matters listed in Schedule 1 of the Act

	Number of times consideration used*
Overriding secrecy laws	1
Cabinet information	3
Executive Council information	0
Contempt	1
Legal professional privilege	11
Excluded information	2
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E
Other public interest considerations against disclosure:
matters listed in table to section 14 of the Act.

	Number of occasions when application not successful
Responsible and effective government	9
Law enforcement and security	0
Individual rights, judicial processes and natural justice	16
Business interests of agencies and other persons	9
Environment, culture, economy and general matters	0
Secrecy provisions	1
Exempt documents under interstate Freedom of Information legislation	1

Table F
Timeliness

	Number of applications
Decided within the statutory timeframe (20 working days plus any extensions)	67
Decided after 35 working days (by agreement with applicant)	24
Not decided within time (deemed refusal)	25*
TOTAL	116

*20 deemed refusals (by the DPC excluding OEH and DLG) were decided by way of a late decision (section 63(2) of the GIPA Act) or by Internal Review (section 82).

Table G
Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	TOTAL
Internal review	7	5	12
Review by Information Commissioner*	1	3	4
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	1	1	2
TOTAL	9	9	18

* The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decisionmaker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table H
Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	15
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	3

INFORMATION SECURITY ATTESTATION

DPC Digital Information Security –
Annual Attestation

Digital Information Security Annual Attestation Statement for the 2013/14 Financial Year for the Department of Premier and Cabinet

Information Security is important to the Department of Premier and Cabinet (DPC) and a risk-based approach is taken with regards to the implementation of security controls. Due to the diverse nature of DPC, there are areas demonstrating best practice and areas where a forward work program is underway to ensure a consistent approach to information security is applied across the department.

I, Acting Secretary, am of the opinion that DPC had an Information Security Management System in place during the financial year being reported on consistent with the Core Requirements set out in the Digital Information Security Policy for the NSW Public Sector.

I, Acting Secretary, am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of DPC are adequate for the foreseeable future. **Risk assessments performed during the year identified several areas requiring improvement. Plans to address these areas, including the transition to an information classification and labelling scheme, have been developed and will be implemented by June 2015.**

I, Acting Secretary, am of the opinion that all Public Sector Agencies, or part thereof, under the control of DPC with a risk profile sufficient to warrant an independent Information Security Management System have developed an Information Security Management System in accordance with the Core Requirements of the Digital Information Security Policy for the NSW Public Sector.

I, Acting Secretary, am of the opinion that, where necessary in accordance with the Digital Information Security Policy for the NSW Public Sector, certified compliance with AS/NZS ISO/IEC 27001 Information technology - Security techniques - Information security management systems - Requirements had been maintained by all or part of DPC and all or part of any Public Sector Agencies under its control.

A handwritten signature in black ink, appearing to read 'Simon A Y Smith'.

Simon A Y Smith
Acting Secretary

OVERSEAS VISITS

The following table lists all business related overseas visits by DPC staff (includes DLG and OEH).

Date	Officer	Destination	Purpose
27 June – 05 July 2013	Thomas Callachor (Stoner)	China	Further several proposed investments in NSW and facilitate further investment from key trading partners. Attend and speak at the Sydney Shanghai Financial Services Forum.
05 July – 13 July 2013	Jason de Sousa (Gay)	UAE, Singapore, Hong Kong	Follow up the NSW Government's international engagement activities in the UAE, Hong Kong and Singapore.
06 July 2013 – 25 July 2013	Karen Wilson	USA and UK	Attend MONOCOTS V: 5th International Conference on Comparative Biology of Monocotyledons conference in New York and visit herbaria in UK.
12 August 2013 – 26 August 2013	Tanya Koeneman	South Africa	Participate in a Conservation and Management Rock Art Workshop.
14 August 2013 – 24 August 2013	Peter Scanes	New Zealand	Attend the Aquatic Science at the Interface conference, Hamilton.
17 August 2013 – 13 September 2013	Peter McClelland	New Zealand	Attend rodent eradication meetings in Auckland.
18 August 2013 – 22 August 2013	David Priddel	New Zealand	Attend rodent eradication meetings in Auckland.
20 September – 30 September 2013	Andrew Kirk (Skinner)	USA	Learn from key counterparts and health leaders regarding best practice examples of innovative health models and reforms that could be applied to the NSW Health context.
28 September 2013 – 04 October 2013	Andrew Growcock	South Korea	Promote listing NSW parks on the IUCN Green List of Well Managed Protected Areas in Seoul.
29 September – 05 October 2013	Thomas Callachor (Stoner)	Indonesia, Malaysia, Singapore	Lead a NSW agribusiness trade and investment mission.
02 October 2013 – 11 October 2013	Sally Barnes	Spain	Attend 10th World Wilderness Congress (WILD10) in Salamanca to promote World Parks Congress 2014.
04 October 2013 – 15 October 2013	Jonathan Gray	France	Attend a digital global soil mapping conference in Orleans.
07 October – 12 October 2013	Simon Smith	United Kingdom	Attend the Ernst & Young Commissioning and Contestability Forum.
13 October – 16 October 2013	Robert Nicoll	USA	Attend three day planning meeting for World Parks Congress 2014.
19 October – 25 October 2013	Thomas Callachor (Stoner)	Japan, China	Undertake a trade mission to Japan on behalf of the Premier. Visit China to continue to strengthen relationships.
02 November – 10 November 2013	Laurence McGrath (Berejiklian)	UK, France	Examine next generation signalling technology, rolling stock, electronic ticketing and light rail in the UK and France.
02 November – 12 November 2013	Brian Davies	Myanmar, Vietnam	Accompany Her Excellency the Governor on official visit to Myanmar and Vietnam to strengthen ties between tertiary institutions and medical institutions.
06 November 2013 – 09 November 2013	Beth Hise	New Zealand	Attend Network of Australasian Museum Exhibitors in Wellington.
12 November 2013 – 15 November 2013	Sally Barnes	Japan	Attend Asia Parks Congress in Sendai, to promote World Park Congress 2014.
12 November 2013 – 18 November 2013	Carl Solomon	Japan	Attend Asia Parks Congress in Sendai, to promote World Park Congress 2014.
16 November 2013 – 25 November 2013	David Hunter	Panama	Attend and present at the Panamanian Golden Frog conservation planning workshop in El Valle.
20 November 2013 – 13 December 2013	Dr Matt Renner	New Zealand	Attend 28th John Child Bryophyte and Lichen Workshop in Ohakune, and visit the Herbarium of the Auckland War Memorial Museum.

Date	Officer	Destination	Purpose
24 November 2013 – 30 November 2013	John Martin	New Zealand	Attend and present at the Australian and New Zealand Ecological Society's "EcoTas13" conference in Auckland.
25 November 2013 – 30 November 2013	Dr Matthew Laurence	New Zealand	Attend the 19th Australasian Plant Pathology Society Conference in Auckland.
27 November 2013 – 29 November 2013	Mark Goggin	New Zealand	Attend the Council of Australasian Museum Directors Annual General Meeting in Auckland.
01 December – 08 December 2013	Peta Seaton (O'Farrell)	India, Singapore	Support the Premier's trade and investment mission to India and Singapore.
01 December – 08 December 2013	Chris Eccles	India, Singapore	Support the Premier's trade and investment mission to India and Singapore.
01 December – 08 December 2013	Susan Calvert	India, Singapore	Support the Premier's trade and investment mission to India and Singapore.
02 December 2013 – 06 December 2013	Carl Solomon	Fiji	Attend the 9th Pacific Islands Conference on Nature Conservation and Protected Areas in Suva to promote World Parks Congress 2014.
15 January – 24 January 2014	Sheridan Dudley (Piccoli)	UK, Finland	Speak at the Education World Forum in London. Meet with Finnish counterparts in the Ministry of Education and the University of Helsinki, to discuss synergies between the two systems of education.
19 January – 25 January 2014	Bayfield Egerton Warburton (Baird)	Singapore, UK, Japan	Meet with rating agencies, investors, major banks, infrastructure groups and key trading partners with NSW.
09 February – 15 February 2014	Mandy Young	New York, Washington, Boston, Newark	Meet and build relationships with The White House Behavioural Insights Team in Washington, and the Behavioural Insights Group at Harvard University in Boston.
16 February – 21 February 2014	Anna McPhee (O'Farrell)	Philippines	Support the Premier's trade and Investment mission to Japan and the Philippines.
16 February – 21 February 2014	Susan Calvert	Japan, Philippines	Support the Premier's trade and investment mission to Japan and the Philippines.
16 February 2014 – 21 February 2014	Chris Eccles	Japan, Philippines, Singapore	Support the Premier's Trade Mission to Japan, Philippines and Singapore.
08 April – 13 April 2014	Susan Calvert	China	Support the Premier's trade and investment mission to China.
10 May – 17 May 2014	Brian Davies	China	Accompany Her Excellency the Governor on an official visit to China to strengthen ties between the sister-states of Guangdong and NSW.

FUNDING AND EXPENDITURE

AUDIT AND RISK MANAGEMENT

In accordance with NSW Treasury Circular TC 09/08, the Secretary is required to provide an annual statement attesting to compliance with the core requirements of NSW Treasury Policy TPP 09/05 Internal Audit and Risk Management Policy for the NSW public sector.

DPC

Risk management is a critical component of governance arrangements in DPC, with a risk management culture embedded into DPC's management practices through:

- » Issuing to all employees the Risk Management Policy and Framework, Fraud and Corruption Control Policy and Strategy and Public Interest Disclosures Policy and Procedures.
- » Conducting employee awareness programs, including an induction program and elearning modules on risk management, fraud and corruption control and public interest disclosures.
- » Reviewing all DPC policies to ensure risk management has been addressed.
- » Benchmarking DPC's Risk Management Policy against NSW Treasury's Risk Management Toolkit.
- » Reviewing DPC's risk profile by undertaking an annual enterprise wide corporate risk assessment.
- » Completing and issuing the annual report on legislative compliance.
- » Conducting internal audits as per DPC's Internal Audit Charter and program.
- » Operating the Audit and Risk management Committee (ARMC) as set out in the Internal ARMC Charter.

Corporate risk management procedures incorporate risk identification, analysis, evaluation and treatment, as well as management and employee accountabilities. Risk is also addressed through insurance arrangements. The policy and guidelines are supplemented by WHS procedures.

The ARMC oversees implementation of the approved internal audit program conducted by Deloitte Touche Tohmatsu. The internal audit program consisted of the following audits:

- » payroll administration
- » learning and development performance
- » ministerial and parliamentary services administration and internal controls
- » management of unsolicited proposals
- » fraud and corruption risk assessment
- » swimming pool register
- » follow up of agreed actions from previous year's audits.

Principal Department led ARMC shared arrangements were separately entered into with the Lord Howe Island Board (LHIB), Natural Resources Commission and DLG. Also an oversight function was provided of the OEH ARMC, which was a sub-committee of DPC's ARMC.

Despite the machinery of government changes of 24 February 2014, the DPC ARMC continued to provide a shared arrangement to the LHIB and DLG, and signed off on their financial statements. In addition another shared arrangement was entered into with the PCO.

Significant matters in audit reports and external reviews

No significant matters were raised in the ongoing audit reports or external reviews.

**Internal Audit and Risk Management Statement
for the
2013-2014 Financial Year for the Department of Premier and Cabinet**

I, Simon A Y Smith, Acting Secretary of the Department of Premier and Cabinet am of the opinion that the Department has internal audit and risk management processes in operation that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Simon A Y Smith, Acting Secretary of the Department of Premier and Cabinet am of the opinion that the Audit and Risk Management Committee for the Department of Premier and Cabinet is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08.

The Chair and Members of the Audit and Risk Committee are:

- Independent Chair, Arthur Butler (Jan. 2014 – Dec. 2017)
- Independent Member, Bruce Turner (Jan. 2014 – Dec. 2017)
- Independent Member, Gerardine Brus (Oct. 2013 – Oct. 2017)
- Non-independent Member, Simon Smith (Dec. 2013 – Nov. 2017)
- Non-independent Member, Phil Minns (Apr. 2014 – Mar. 2018)

These processes provide a level of assurance that enables the senior management of the Department of Premier and Cabinet to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with the policy to Treasury on behalf of the Treasurer.



Simon A Y Smith
Acting Secretary
Department of Premier and Cabinet

16 July 2014

INSURANCE**DPC**

DPC has insurance cover for all major assets and significant risks, through the NSW Government self-insurance scheme (NSW TMF). This includes full workers' compensation, motor vehicle accident, property, public liability and miscellaneous insurance cover.

Note: DLG, OEH and PCO to report separately in their annual reports until 24 February 2014.

Area of risk	Insurer	2012 –2013	2013 –2014
Workers' compensation	Employers Mutual	440	506
Public liability	GIO	62	70
Property	GIO	64	72
Motor vehicles	GIO	107	67
Miscellaneous (other)	GIO	5	6
TOTAL		678	721

STATEMENT OF RESPONSIBILITY (CREDIT CARD USE)

DPC's credit card policies and procedures outline conditions for eligibility, usage and management of corporate cards. These are consistent with government policy as outlined in relevant NSW Treasury Circulars and Treasurer's Directions. The Secretary certifies that credit card use in DPC has been in accordance with government requirements.

This statement covers DPC, including DLG, PCO and OEH.

MAJOR CAPITAL WORKS**DPC****Major capital works managed by DPC in 2013–14**

Project	Cost to date \$,000	Estimated completion
Major works in progress		
Refurbishment of 52 Martin Place Office	\$10,435	2014–2015

OEH

Information regarding major capital works managed by OEH in 2013–2014 is detailed in the OEH Annual Report.

DLG

Had no major capital works.

LAND DISPOSAL

There were no land disposals for the period of 1 July 2013 to 23 February 2014 by DPC, OEH or DLG.

CONSULTANCIES**Consultancies of value EQUAL TO OR MORE THAN \$50,000**

Name of consultant	The title/nature of the consultancy	Cost (\$)
Organisational review		
L.E.K. Consulting	RBGDT and CPMPPT amalgamation — review of operations with a view to amalgamation.	75,173
PricewaterhouseCoopers	Open Innovation Hub is pioneering a new approach to public innovation and problem solving using an open innovation model.	50,000
PricewaterhouseCoopers	Targeted Red Tape Review — Cafes and Restaurants.	101,884
Information technology		
Australia Online Research	Customer Satisfaction Benchmark Survey.	381,436
C3 Business Solutions Pty Ltd	Human Services Data Hub: Business Process Mapping and Data Specifications.	65,155
Citrix Systems Asia Pacific Pty Ltd	Citrix Xen Mobile Project.	84,000
NTT Data Business Solutions	Human Services Data Hub: Initial planning and system implementation.	102,799
Management services		
Centre for International Economics	Economic impact of government relocations from the Sydney CBD to metropolitan and regional NSW.	175,680
Crosby Textor Research Strategies	Consultation services for NSW 2021 signature project.	115,120
David Richmond Consulting Pty Ltd	Consulting advice for AFC Asian Cup 2015 and 2015 ICC Cricket World Cup.	70,125
Ernst and Young	Project management office services for the Keep Them Safe project evaluation.	272,300
Ernst and Young	Evaluation of Child Wellbeing Units	253,200
KPMG Australia Pty Ltd	Strategic Contingency Planning.	65,000
KPMG AUSTRALIA	OEH procurement accreditation project — professional advice for OEH to attain procurement accreditation.	100,319
PricewaterhouseCoopers	Open Innovation Hub is pioneering a new approach to public innovation and problem solving using an open innovation model.	50,000
SGS Economics and Planning Pty Ltd	Greater Western Sydney (GWS) economic development strategy to develop an economic narrative for the GWS region and prepare a draft GWS economic development strategy.	63,700
University of NSW	Consultation services for the Keep Them Safe project evaluation.	1,532,000
Engineering		
Australian Research Alliance for Children and Youth	Professional services concerning prevention and early intervention taskforce.	65,053
PricewaterhouseCoopers	Family Recovery Initiative — cross agency data matching.	167,300
RMIT University	Program Evaluation Material.	57,887
TOTAL consultancies with a value equal to or more than \$50,000: 20		3,848,131

CONSULTANCIES – CON'T**Consultancies of value LESS THAN \$50,000**

Purpose of consultant	Number of consultancies	Cost (\$)
Finance and Accounting	3	43,239
Legal	0	0
Environmental	2	9,884
Organisational review	18	298,930
Information Technology	3	70,467
Management Services	25	383,792
Engineering	1	72,727
Training	2	18,190
TOTAL consultancies with a value less than \$50,000: 54		897,229

FUNDS AND GRANTS**Program area: 2.2 Economic and regional coordination**

Name of organisation	Nature and purpose of grant	Amount paid (\$)
Anglican Diocese of Sydney	Community Energy Project	2,098
Australian Bushland	Works project	2,508
Australian Seabird Rescue	Wildlife Carers Contribution	2,700
Ethnic Communities Council of NSW	Community Project	276,000
Fawna (NSW)	Wildlife Carers Contribution	6,400
Foundation for National Parks	Conservation Contribution	50,000
Friends of the Koala	Wildlife Carers Contribution	2,700
Hunter Koala Preservation Society	Wildlife Carers Contribution	2,700
Koalas In Care	Wildlife Carers Contribution	2,300
National Trust of Australia	Conservation Project	355,000
Native Animal Trust Fund	Wildlife Carers Contribution	3,360
Northern Rivers Wildlife Carers	Wildlife Carers Contribution	2,700
Oatley Flora and Fauna	Conservation Contribution	1,500
Responsible Runners	Education Project and Campaign	2,000
Trustees of the Roman Catholic church for the diocese of Bathurst	Conservation Project	24,569
Tweed Valley Wildlife Carers	Wildlife Carers Contribution	2,700
Upper Lachlan Catchment Coordination Committee Incorporated	Community Project	9,000
Wildcare	Wildlife Carers Contribution	1,000
WINC (Wildlife In Need Of Care)	Wildlife Carers Contribution	4,240
Wires – Clarence Valley	Wildlife Carers Contribution	2,700
Wires – Northern Rivers	Wildlife Carers Contribution	2,700
Worimi Local Aboriginal Land Council	Wildlife Carers Contribution	61,748
TOTAL number of grants is: 22		820,623

FUNDS AND GRANTS – CON'T

Other grants

Name of Organisation	Nature and purpose of grant	Amount Paid (\$)
40K Foundation Australia	NSW Premier's Scholarships for NSW tertiary students to participate in the 40K Globe program in India.	10,000
40K Foundation Australia	Donation to Big Night Out.	1,650
5 Lands Walk	To upgrade the side track before the 5 Lands Walk Event.	16,000
Alzheimer's Australia NSW	Alzheimer's Australia Memory Walk and Jog.	5,000
Armidale Dam Dragons Inc	Trailer to transport the dragon boat to the water's edge.	1,250
Arts and Health Australia Pty Ltd	Hello Koalas Project.	12,500
Australia India Youth Dialogue Ltd	2014 Australia India Youth Dialogue.	12,500
Australia New Zealand School of Government	Chair Public Service Delivery - UNSW.	250,000
Australia New Zealand School of Government	ANZSOG India Advanced Leadership Program.	200,000
Australian Commonwealth Games Assoc.	Funding of Glasgow team.	500,000
Australian Council for the Promotion of Peaceful Reunification of China	Eyes on China project.	10,000
Australian Red Cross	Red Cross Calling Appeal 2014.	200,000
Australian Red Cross, Kiama Branch	To assist with centenary celebrations.	1,500
Australian War Memorial	Travelling photographic exhibition of WW1 soldiers in NSW.	50,000
Bankstown Multicultural Youth Service	Donation to organisation.	50,000
Barnardos Australia	Australia's Mother of the Year 2014.	16,000
Bateau Bay PCYC	Donation to organisation.	2,500
Bathurst PCYC	Assist delivery of PARC (Prevention Alcohol-related Crime) in association with local police.	3,000
Belvoir St Theatre Ltd	Donation to organisation.	15,000
Building Indigenous Capability Pty Ltd	Contribution to Illawarra Aboriginal Leadership Conference.	2,636
Bundarra 355 Committee	Purchase of an electric barbecue.	5,000
Byron Bay Winter Whales Club	2014 Byron Bay Winter Wales Ocean Swim Classic.	5,000
C2770	Final year of funding to support the C2770 project. C2770 focused on building community support services and programs for residents of Mt Druitt and surrounding areas. DPC was a minor contributor to this project along with FACS, Health and the Blacktown Council.	12,500
Camden Cricket Club	To assist cricketers attend the PSSA Boys Cricket Carnival in November 2013.	2,500
Camp Quality	To support esCarpade and Camp Quality fundraising efforts.	1,000
Catherine Hill Bay SLSC	The replacement of digital radios after a fire in October 2013.	2,055
CEM Media	Christmas Party for Special Children in Albury 2013.	2,500
Central Coast Family Support Services	Grandparents Raising Grandchildren camp.	7,500
Claymore Public School	To upgrade the Support Unit Playground.	10,000
Community Medic	In support of Community Medic services and programs.	10,000
Country Women's Association – Macquarie Group (Dubbo Branch)	Transport delegates during the 2014 South Pacific Area Conference.	3,500
DPC (Protocol and Special Events)	Video projections onto Challis House for the Centenary of Anzac commemorations.	28,718
DPC (Protocol and Special Events)	NSW Blues State of Origin Reception.	70,000
Engadine Dragons Football Club	Purchase of bench seats.	2,800
Enough is Enough	Contribution to accommodation costs and victims support programs.	367,000
Fight Against Cancer Macarthur Inc	Donation to organisation.	5,000

FUNDS AND GRANTS – CON'T

Other grants

Name of Organisation	Nature and purpose of grant	Amount Paid (\$)
Fort Scratchley Historical Society	Construction of a replica gun carriage.	35,000
Friends Of St. John's Inc.	Security mesh that protects a stained glass window.	3,000
Future Direction Network Inc	Donation to the foundation.	24,000
General Sir John Monash Foundation	Contribution to scholarship program.	60,000
Gilmore Youth Leadership Forum	Donation towards program being held in September 2014.	5,000
Girl Guides Association of NSW	Sensor lighting system following a break in.	590
Glenrock Scout Camp of Scouts Australia NSW	New wood chipper for the Glenrock Scout Camp.	1,399
Gosford Community Men's Shed	Construction of a new shed.	5,000
Greek Orthodox Community of NSW	2014 Greek Festival of Sydney.	50,000
Gundagai Preschool Kindergarten	To purchase iPads and computers.	1,000
Hastings Baseball	Protective equipment for catchers.	900
Hay Shire Council	To establish a recording studio for Hay's Community Radio Station.	10,000
Homicide Victims Support Group	Annual Christmas Party.	1,000
Hunter River Community School	Sensory garden at the school.	15,000
Hunter Surf Lifesaving	Essential rescue equipment for duty officers.	15,000
Hurstville City Council	To assist volunteers caring for local bush land.	1,500
Hurstville Grove Girl Guides	Computers and presentation devices.	1,500
IAAL Charitable Association	Disability toilet.	5,000
Illawarra Business Chamber	2013 Illawarra Business Awards.	15,000
Italian Opera Foundation	Donation towards fundraising dinner.	2,500
Kiama and District Historical Society	Documentary of the life of Kiama born, Academy Award winner, Orry Kelly.	1,000
Komplete Kaos Inc	For students to compete at the World Lego Robotic Championships in Spain.	5,000
Lake Munmorah Netball Club	To assist the club with upgrading facilities.	10,000
Lifeline	Donation to organisation.	100,000
Lions Club of Cabarita Beach and Pottsville Beach	To replace stolen goods taken from locked storage containers.	5,000
Lions Club of Oatley	For Oatley Village Festival being held in October 2014.	1,500
Lions Club of Tahmoor Inc	Fundraiser for local Rural Fire Service brigade of Wollondilly/Southern Highlands.	5,000
Lithgow Business Association	Celebrate Lithgow event in November 2014.	3,000
Lord Howe Island Board	Repair the James Brown Memorial seat located at Lord Howe Island Airport.	1,000
Lord Howe Island Golf Club	Replacement of three bridges on the Lord Howe Island Golf Course.	5,000
Madison Marcus Law Firm ATF The Bridget Wright Memorial Trust	To assist with funeral and memorial expenses.	15,000
Mai-Wel Ltd	To support the Cessnock Community Connect day.	1,000
Miracle Babies Foundation	Update the Miracle Babies website.	35,000
Moorebank Men's Shed	To help establish the Moorebank Men's Shed at Liverpool.	5,000
Moving Forward Together Association Inc	2013 Harmony Walk.	2,000
Mr Dennis Koks	To host jazz pianist Joseph O'Connor in Kiama.	450
Mr Peter Raymond	To assist the Community Robotics team attend the FIRST Robotics World Championships in St Louis USA, April 2014.	2,500
Ms Tracey Spence of Kicks Danceforce, Ulladulla	Towards Kicks Danceforce troupe to travel to America in September 2014.	1,000

FUNDS AND GRANTS – CON'T**Other grants**

Name of Organisation	Nature and purpose of grant	Amount Paid (\$)
Multi Mix Mob	Donation to organisation.	5,000
Narwee Public School	Water tank to support the food garden installed in 2012.	2,000
National Heart Foundation Australia	Support for Premier's Council for Active Living (reimbursed by Dept of Health, but paid by DPC to NHF).	334,000
National Heart Foundation of Australia (NSW Division)	Big Heart Appeal – Doorknock 2013.	5,000
National Servicemen's Association – Sydney Northern Branch	Towards a memorial.	1,800
NSW Centenary of Anzac Advisory Council	Business cards, pull up banners and lapel pins to commemorate the NSW Centenary of Anzac.	3,350
NSW Councils	Financial Assistance Grants.	265,277,595
NSW Councils	Local Infrastructure Renewal Scheme.	3,265,554
NSW Councils	Council Rates concession for eligible pensioners.	78,182,940
Office of Veterans Affairs (Anzac Memorial Building Fund)	Funding for youth component of the Anzac Community Grants Program.	50,000
Order of Australia Association Hastings-Macleay Branch	To support the administrative operation of the Association.	2,000
Parramatta and District Historical Society	100th Anniversary celebrations.	1,000
Parramatta State Emergency Service	To fix the access road to their base.	3,000
Philippines Department of Social Welfare and Development	Philippines Typhoon Appeal.	500,000
Port Macquarie Soup Kitchen	For small appliances and utensils.	600
Potts Point Partnership Inc	2014 Kings Cross Festival.	50,000
Queanbeyan City Council	Restoration of Rusten House.	75,000
Randwick City Council	Memorial to surf lifesavers who have died while serving in the Australian Armed Forces.	100,000
Renew Newcastle	Donation to Organisation.	50,000
Reserve Forces Day Council Inc	Reserve Forces Day National Parade.	20,000
Rita Williams	Aboriginal Trust Fund Repayment Scheme.	11,000
Rotary Club of Berry	Support for the 8th Celtic Festival 2014.	5,000
Rotary Club of Hurstville	To maintain operations of the Annual Antique and Collectables Fair.	1,500
Rotary Club of Kurrajong North Richmond	To purchase a commercial mower to provide to Mr Les Dolin.	2,500
Royal Humane Society of NSW	Annual Bravery Awards.	5,000
RSL Australia (NSW Branch)	2014 Anzac Day activities.	50,000
Saint Abraam and Saint Mikhail Al-Behairy Coptic Orthodox Church	Purchase of computer equipment.	2,500
Shellharbour Sharks Rugby League Football Club	To upgrade the Ron Costello Oval.	15,000
Shoalhaven Business Chamber	2013 Shoalhaven Business Excellence Awards.	5,000
Shoalhaven River Festival Inc	To assist with the Shoalhaven celebration.	7,500
Sir Roden and Lady Cutler Foundation Inc	To continue and extend the services of the foundation.	10,000
Special Olympics Australia	Donation towards fundraising Race Day.	7,500
Special Olympics NSW	Donation to organisation.	1,000
St John Ambulance Australia, Moruya Division	For trailer to transport medical equipment to events where their medical expertise is required.	6,500
St Patrick's College	Donation towards fundraising Gala Ball.	3,000

FUNDS AND GRANTS – CON'T

Other grants

Name of Organisation	Nature and purpose of grant	Amount Paid (\$)
St Vincent de Paul Society NSW	Vinnies Winter Appeal 2014.	25,000
Star Sydney Pty Ltd	Sydney Special Children's Christmas Party 2014.	10,000
Swansea Belmont Surf Life Saving Club	Replacement of urgently required training equipment.	5,000
Swansea RSL Sub Branch	Centenary of ANZAC project.	5,000
Sydney Children's Hospital Foundation	Donation to Gold Telethon Appeal.	25,000
Sydney Heritage Fleet	Donation towards a fundraising dinner.	2,500
Sydney South West School Sport Association	For young cricketers to attend the PSSA Boys Cricket Carnival, Bathurst, November 2013.	3,500
Sydney Special Children's Christmas Party	Sydney Special Children's Christmas Party 2013.	10,000
The Australian Children's Music Foundation	Donation to fundraising event Duets.	10,000
The Australian Children's Music Foundation	World Music Day celebrations.	20,000
The Cancer Council NSW	Donation to Australia's Biggest Morning Tea.	5,000
The Fred Hollows Foundation	Donation to James Pittar's Swim for Sight supporting the Fred Hollows Foundation.	1,000
The George Institute for Global Health	Donation to organisation.	5,000
The Mater Dei Foundation	Donation to fundraising dinner.	5,000
The National Trust of Australia NSW	Memorial to the victims of the attack on the Picnic Train on 1 January 1915.	5,000
The Primary Club of Australia	Marathon Cricket event at the SCG.	25,000
The Salvation Army	Red Shield Appeal 2014.	200,000
The Salvation Army	Industrial dishwasher for the Armidale Community Kitchen.	2,500
The Smith Family	2014 Winter Appeal.	15,000
The Trustee for Garvan Research Foundation	Donation to Foundation in support of Love Your Sister.	5,000
Thirlmere Steam Festival Committee	25th Annual Festival of Steam, March 2014.	1,500
Thomas Kelly Youth Foundation	Fund research into community attitudes towards alcohol and how to help create a safe and vibrant city night life.	60,000
Tumut Shire Council	Solar heating at Adelong pool.	10,000
Wanda Surf Life Saving Club	2014 Sutherland 2 Surf fun run and walk.	5,000
Western Sydney Community Forum	ZEST Awards.	10,000
Youth Solutions	Donation to fundraising charity event.	2,000
YWCA	YWCA's services and programs.	50,000
TOTAL number of grants is: 136		350,930,287

FUNDS AND GRANTS – CON'T

Regional Operations and Heritage Council

Name of organisation	Nature and purpose of grant	Amount paid (\$)
Anglican Diocese of Sydney	Community energy project.	2,098
Australian Bushland	Works project.	2,508
Ethnic Communities Council of NSW	Community project.	276,000
National Trust of Australia	Conservation project.	355,000
Sunrise Guiwan Elders Corporation	Video and film project grant.	7,976
Trustees of the Roman Catholic church for the diocese of Bathurst	Conservation project.	24,569
Upper Lachlan Catchment Coordinating Committee Incorporated	Community project.	19,000
TOTAL number of grants is: 7		687,151

National Parks and Wildlife

Name of organisation	Nature and purpose of grant	Amount paid (\$)
Responsible Runners	Education project and campaign.	2,000
Oatley Flora and Fauna	Conservation contribution.	1,500
WINC (Wildlife In Need Of Care)	Wildlife carers contribution.	4,240
Koalas In Care	Wildlife carers contribution.	2,300
Native Animal Trust Fund	Wildlife carers contribution.	3,360
Fawna (NSW)	Wildlife carers contribution.	6,400
Hunter Koala Preservation Society	Wildlife carers contribution.	2,700
Northern Rivers Wildlife Carers	Wildlife carers contribution.	2,700
Tweed Valley Wildlife Carers	Wildlife carers contribution.	2,700
Australian Seabird Rescue	Wildlife carers contribution.	2,700
Friends of the Koala	Wildlife carers contribution.	2,700
Wires – Northern Rivers	Wildlife carers contribution.	2,700
Wires – Clarence Valley	Wildlife carers contribution.	2,700
Worimi Local Aboriginal Land Council	Commercial tour operations.	61,748
Wildcare	Wildlife carers contribution.	1,000
Foundation for National Parks	Conservation contribution.	50,000
TOTAL number of grants is: 16		151,448

ACCOUNT PAYMENT PERFORMANCE

DPC

Aged analysis at the end of each quarter

Quarter	Current (within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days	More than 90 days overdue
All suppliers					
September 2013	-2,271,191	-941,601	-82,651	-32,021	-85,747
December 2013	-1,356,513	-173,929	85,694	-2,110	-174,092
March 2014	-4,272,209	6,990	10,521	-1,314	-21,649
June 2014	-5,737,336	-57,054	154,850	-150,371	-946

Accounts due or paid within each quarter

Measure	September 2013	December 2013	March 2013	June 2013
All suppliers				
Number of accounts due for payment	3,334	2,994	2,973	3,235
Number of accounts paid on time	3,268	2,932	2,908	3,178
Actual percentage of accounts paid on time (based on number of accounts)	98.02%	97.93%	97.81%	98.24%
Dollar amount of accounts due for payment	65,897,353	47,763,358	44,242,962	21,961,196
Dollar amount of accounts paid on time (based on \$)	65,781,355	47,300,711	43,669,816	21,635,421
Number of payments for interest on overdue accounts	—	—	—	—
Interest paid on overdue accounts	—	—	—	—

Small business suppliers				
Number of accounts due for payment	7	10	8	17
Number of accounts paid on time	6	9	8	16
Actual percentage of accounts paid on time (based on number of accounts)	85.71%	90.00%	100.00%	94.12%
Dollar amount of accounts due for payment	1,746	13,133	5,540	11,872
Dollar amount of accounts paid on time (based on \$)	1,690	13,071	5,540	11,811
Number of payments for interest on overdue accounts	—	—	—	—
Interest paid on overdue accounts	—	—	—	—

ACCOUNT PAYMENT PERFORMANCE – CON'T

OEH

Quarter	Current (ie within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days	More than 90 days overdue
All suppliers					
September	17,523	286	14	2	—
December	22,488	360	44	7	—
23 Feb 2014	11,099	380	13	7	—
Small business suppliers					
September	544	1	—	—	—
December	843	1	—	—	—
23 Feb 2014	343	1	—	—	—

Accounts due or paid within each quarter

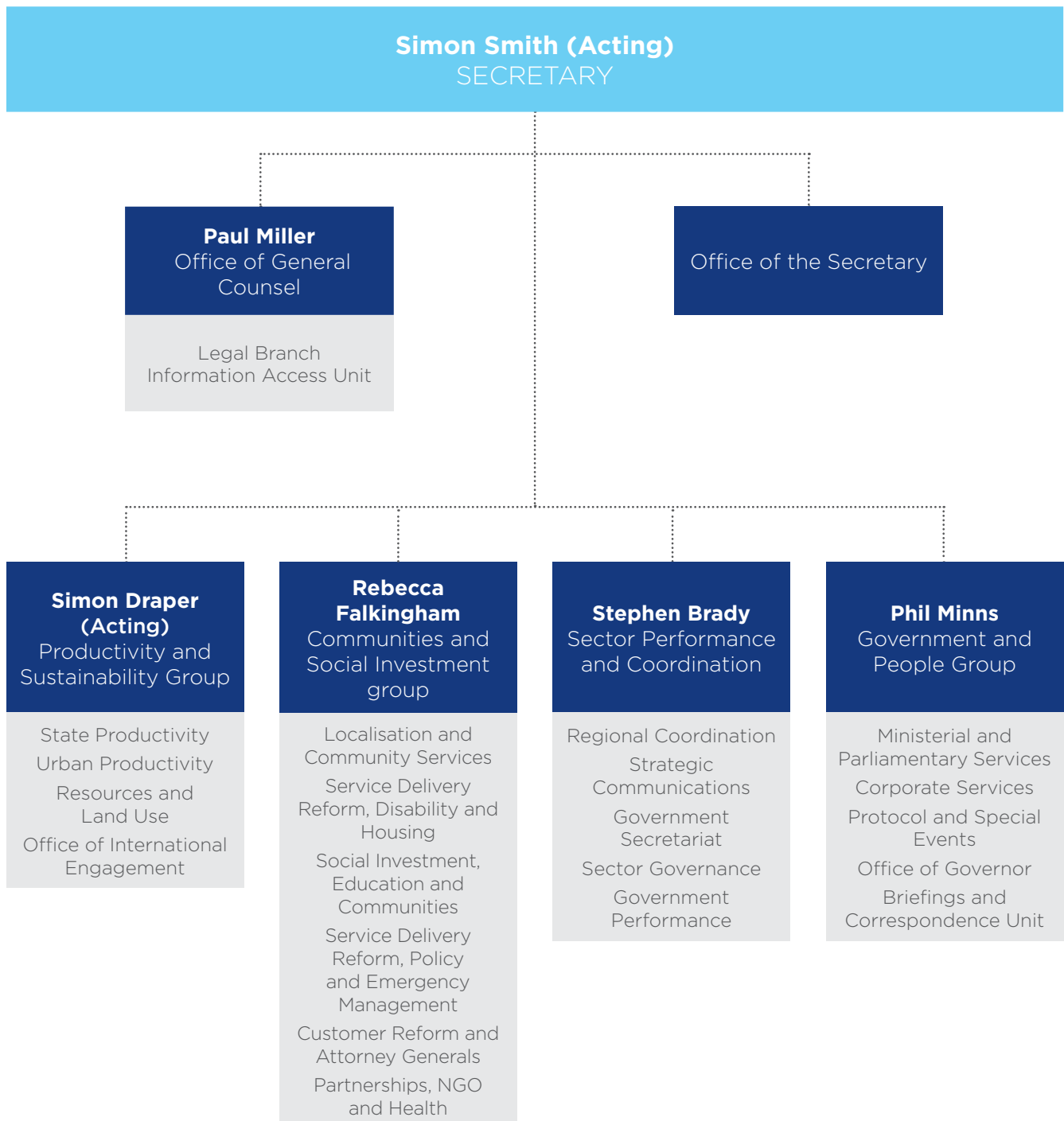
Measure	September 2013	December 2013	February 2014
All suppliers			
Number of accounts due for payment	17,825	22,899	11,499
Number of accounts paid on time	17,523	22,488	11,099
Actual percentage of accounts paid on time (based on number of accounts)	98.31%	98.21%	96.52%
Dollar amount of accounts due for payment	38,201,038	60,863,708	34,139,865
Dollar amount of accounts paid on time	37,660,866	59,494,496	32,571,719
Actual percentage of accounts paid on time (based on \$)	98.58%	97.75%	95.41%
Number of payments for interest on overdue accounts	—	—	—
Interest paid on overdue accounts	—	—	—

Accounts due or paid within each quarter

Measure	September 2013	December 2013	February 2014
Small business suppliers			
Number of accounts due for payment to small businesses	545	844	344
Number of accounts due to small businesses paid on time	544	843	343
Actual percentage of small business accounts paid on time (based on number of accounts)	99.82%	99.88%	99.71%
Dollar amount of accounts due for payment to small businesses	846,933	1,332,277	425,322
Dollar amount of accounts due to small businesses paid on time	846,675	1,330,621	423,096
Actual percentage of small business accounts paid on time (based on \$)	99.97%	99.87%	99.47%
Number of payments to small business for interest on overdue accounts	—	—	—
Interest paid to small businesses on overdue accounts	—	—	—

HUMAN RESOURCES

DPC SENIOR EXECUTIVE ORGANISATIONAL CHART



As of 30 June 2014

SENIOR EXECUTIVE SERVICE

The following table relates to DPC Senior Executive Service (SES) positions.

Note: Parliamentary Counsel's Office became a separate entity on 24 February 2014, and hence excluded from 2014 figures. PCO figures have been extracted from 2013 data to assist with true comparisons.

DPC Senior Executive Officers

Band	2012 2013		2013 2014	
	Female	Male	Female	Male
	0	1	0	0
	2	6	2	4
	9	9	4	7
	34	24	31	19
TOTALS	45	40	37	30
			67	

Band	Range (\$)	Average remuneration			
		2012	2013	2013	2014
	422,501 - 550,000		545,800		0
	299,751 - 422,500		380,072		378,478
	238,301 - 299,750		261,378		269,328
	167,100 - 238,300		182,941		191,458

Note: Transitional former senior executives in the Department (former SES and former Senior Officers) are taken to be senior executives and employed in the equivalent band, therefore it includes two classifications of officers.

DPC Senior Executive Service positions

The following table refers to DPC positions only.

TOTAL DPC positions as at 30 June 2014		
Level	2013	2014
Level 8	1	1
Level 7	5	4
Level 6	3	3
Level 5	5	3
Level 4	13	9
Level 3	7	6
Level 2	20	23
Level 1	5	5
TOTAL	59	54
TOTAL FILLED	50	51

FEMALE EXECUTIVE OFFICERS

The following table relates to DPC female executive officers.

TOTAL number of females in DPC SES positions as at 30 June 2014

2013	2014
26	29

STAFF PROFILE BY EMPLOYMENT CATEGORY

The following table shows the number of officers and employees DPC employed by category over four years (excluding casuals).

	2010	2011	2011	2012	2012	2013	2013	2014	2013	2014
	Female	Male	Female	Male	Female	Male	Female	Male	TOTAL	TOTAL
Permanent full-time	189	244	170	231	156	200	128	188	316	316
Permanent part-time	6	55	8	49	7	68	1	40	41	41
Temporary full-time	28	60	17	43	19	45	14	26	40	40
Temporary part-time	3	6	2	6	4	3	0	10	10	10
Contract – SES	22	7	34	15	32	28	23	29	52	52
Contract – non SES	1	1	0	1	1	1	1	0	1	1
Training positions	0	0	0	0	0	0	0	0	0	0
Retained staff	0	0	0	0	0	0	0	0	0	0
TOTAL	249	373	231	345	219	346	167	293	460	460

EQUAL EMPLOYMENT OPPORTUNITY

DPC tables

Trends in the representation of EEO groups

EEO group	Benchmark /target (%)	2012 (%)	2013 (%)	2014 (%)
Women	50	59.9	61.3	63.6
Aboriginal people and Torres Strait Islanders	2.6	1.8	2.1	1.2
People whose first language spoken as a child was not English	19.0	15.9	16.1	13.3
People with disability	N/A	6.2	5.5	5.4
People with disability requiring work related adjustment	1.5	2.5	2.4	2.2

Trends in the distribution* of EEO groups

EEO group	Benchmark /target	2012	2013	2014
	100	100	100	105
	100	N/A	N/A	N/A
	100	90	92	89
	100	91	88	89
	100	N/A	N/A	N/A

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the Workforce Diversity group across salary levels is equivalent to that of other staff. Values less than 100 mean that the Workforce Diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the Workforce Diversity group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where Workforce Diversity group or non-Workforce Diversity group numbers are less than 20.

LEGAL

LEGISLATION AND LEGAL CHANGE

Changes in Acts and regulations allocated to the Premier (as at 30 June 2014)

- » *Casino Control Amendment (Barangaroo Restricted Gaming Authority) Act 2013*
- » *Constitution (Governor's Salary) Amendment Regulation 2013 No 2*
- » *Criminal Assets Recovery Amendment Act 2014*
- » *Election Funding, Expenditure and Disclosures Consequential Amendment Act 2014*
- » *Election Funding, Expenditure and Disclosures Amendment (Political Donations) Regulation 2013*
- » *Electoral and Lobbying Legislation Amendment (Electoral Commission) Act 2014*
- » *Government Advertising Amendment (Exemptions) Regulation 2013*
- » *Government Advertising Amendment (Exemptions) Regulation 2014*
- » *Government Sector Employment Act 2013 No 40*
- » *Government Sector Employment Regulation 2014*
- » *Government Sector Employment Amendment (Additional Appointment) Regulation 2014*
- » *Independent Commission Against Corruption Amendment Act 2013*
- » *Ombudsman Amendment (Aboriginal Programs) Act 2014 No 21*
- » *Ombudsman Amendment (Aboriginal Programs) Regulation 2014*
- » *Members of Parliament Staff Act 2013*
- » *Mining Amendment (ICAC Operations Jasper and Acacia) Act 2014*
- » *Mining and Petroleum Legislation Amendment Act 2014*
- » *Police Integrity Commission and Independent Commission Against Corruption Legislation Amendment (Inspectors) Act 2013 No 72*
- » *Public Interest Disclosures Amendment Act 2013*
- » *Public Interest Disclosures Amendment (Reporting) Regulation 2013*
- » *Royal Commissions and Ombudsman Amendment Act 2013*
- » *Statute Law (Miscellaneous Provisions) Act (No 2) 2013 No 111*
- » *Statute Law (Miscellaneous Provisions) Act 2014 No 33*
- » *Succession to the Crown (Request) Act 2013 No 53*
- » *Statutory and Other Offices Remuneration (Judicial and Other Office Holders) Amendment Regulation 2013*

NEW AND AMENDING ACTS AND REGULATIONS

Minister for Local Government's portfolio

(List reflects changes up to 24 February 2014.)

- » *Companion Animals Amendment Act 2013*, which amended the *Companion Animals Act* and the *Companion Animals Regulation* to provide new powers to control dogs, most notably a power to classify dogs as menacing, increasing penalties for certain dog control related offences, increasing companion animal registration fees and indexing those fees to the annual rate of inflation.
- » *Impounding Regulation 2013*, which is a remake, with minor amendments, of the *Impounding Regulation 2008*, which was repealed on 1 September 2013 by section 10 of the *Subordinate Legislation Act 1989*.
- » *Local Government (General) Amendment (Council Sewerage Systems) Regulation 2013*, which amended the *Local Government (General) Regulation* in several minor respects regarding charging for stormwater management services and the protection of council water supply and sewerage systems.
- » *Local Government (General) Amendment (Minimum Rates) Regulation 2013*, which amended the *Local Government (General) Regulation* by increasing, for the purposes of section 548 of the *Local Government Act*, the minimum amount that may be specified by a council when levying an ordinary rate.
- » *Local Government (General) Amendment (Performance Management) Regulation 2013*, which amended the *Local Government (General) Regulation* by specifying the criteria which the minister must consider when determining whether a performance improvement or suspension order should be issued to a council.

SIGNIFICANT JUDICIAL DECISIONS

Unions NSW v New South Wales [2013] HCA 58 (18 December 2013)

The High Court held that section 96D (which prohibits donations except from enrolled individuals) and section 95G(6) (which aggregates the amount spend on electoral communication by a political party and any affiliated organisations for the purposes of expenditure caps) of the *Election Funding, Expenditure and Disclosures Act 1981* (NSW) (the *EFED Act*) are invalid because they impermissibly burden the implied freedom of communication on governmental and political matters, contrary to the Commonwealth Constitution.

CONTACTS

PREMIER OF NEW SOUTH WALES

The Honourable Mike Baird MP

Member for Manly

Premier, Minister for Infrastructure and Minister for Western Sydney

Governor Macquarie Tower

1 Farrer Place

Sydney NSW 2000

GPO Box 5341

Sydney NSW 2001

T (02) 9228 5239

www.nsw.gov.au

Business Hours: 8.00am to 6.00pm
Monday to Friday

DEPARTMENT OF PREMIER AND CABINET

Sydney CBD

Governor Macquarie Tower

1 Farrer Place

Sydney NSW 2000

GPO Box 5341

Sydney NSW 2001

T (02) 9228 5555

E contact_us@dpc.nsw.gov.au

www.dpc.nsw.gov.au

Business Hours: 8.30am to 5.00pm
Monday to Friday

NOTE: The Office of the Premier and the Sydney CBD office of the Department of Premier and Cabinet will be relocating to 52 Martin Place, Sydney in the second half of 2014. Following the relocation, electronic contact details will remain unchanged.

METROPOLITAN AND REGIONAL OFFICES

Business Hours: 9:00am to 5.00pm
Monday to Friday

CENTRAL AND SYDNEY EAST

GPO Box 5341

Sydney NSW 2001

T (02) 9228 5432

Greater Western Sydney

Locked Bag 5045

Parramatta NSW 2124

T (02) 9685 2400

CENTRAL COAST

PO Box 1327

Gosford NSW 2250

T (02) 4337 2311

HUNTER

Level 5

PricewaterhouseCoopers Centre

26 Honeysuckle Drive

Newcastle NSW 2300

T (02) 4921 2600

ILLAWARRA AND SOUTH EAST

Wollongong office

PO Box 892

Wollongong NSW 2520

T (02) 4253 6300

Queanbeyan office

PO Box 1594

Queanbeyan NSW 2620

T (02) 6229 7800

NORTH COAST

PO Box 805

Coffs Harbour NSW 2450

T (02) 6659 8650

WESTERN NSW

Dubbo office

PO Box 865
Dubbo NSW 2830
T (02) 6826 7800

Wagga Wagga office

PO Box 2460
Wagga Wagga NSW 2650
T (02) 6926 8600

Tamworth office

PO Box 865
Tamworth NSW 2340
T (02) 6760 2670

GOVERNMENT HOUSE SYDNEY

Macquarie Street
Sydney NSW 2000
T (02) 9228 4111
E enquires@governor.nsw.gov.au
www.governor.nsw.gov.au
Business Hours: 9:00am to 5.00pm
Monday to Friday

OFFICE OF ENVIRONMENT AND HERITAGE

Head office

59–61 Goulburn Street
Sydney NSW 2000
PO Box A290
Sydney South NSW 1232
T (02) 9995 5000
www.environment.nsw.gov.au
Business Hours: 8.30am to 5.00pm
Monday to Friday

OFFICE OF LOCAL GOVERNMENT

Head office

5 O'Keefe Avenue
Nowra NSW 2541
Locked Bag 3015
Nowra NSW 2541
T (02) 4428 4100
E dlg@dlg.nsw.gov.au
www.dlg.nsw.gov.au
Business Hours: 8.30am to 5.00pm
Monday to Friday

PARLIAMENTARY COUNSEL'S OFFICE

Level 23
AMP Centre
50 Bridge Street
Sydney NSW 2000
GPO Box 4191
Sydney NSW 2001
T (02) 9321 3333
E parliamentary.counsel@pco.nsw.gov.au
www.pco.nsw.gov.au
Business Hours: 8.30am to 5.30pm
Monday to Friday

PARLIAMENT HOUSE

Macquarie Street
Sydney NSW 2000
T (02) 9230 2111
www.parliament.nsw.gov.au
Business Hours: 9:00am to 5.00pm
Monday to Friday

ABBREVIATIONS

A

AASB Australian Accounting Standards Board
ABW Activity Based Working
AMR Automatic Mutual Recognition
AO Officer of the Order of Australia
ARMC Audit and Risk Management Committee

C

COAG Council of Australian Governments
CRC Community Relations Commission

D

DEC Department of Education and Communities
DLG Division of Local Government
DPC Department of Premier and Cabinet
DPE Department of Planning and Environment
DTIRIS NSW Department of Trade and Investment

E

EDRMS Electronic Document and Records Management System
EEO Equal Employment Opportunity
EPI Environmental Planning Instrument
Exchange Intergovernmental Agreement for the National Exchange of Criminal History Information for People Working with Children

F

FACS Department of Family and Community Services
FTE Full Time Equivalent

G

GIPA Government Information (Public Access) Act 2009
Gonski National Education Reform Agreement government the NSW government, unless otherwise specified
GOView NSW Government Organisational Overview
GSE Government Sector Employment
GWS Greater Western Sydney

H

HR Human Resources
HRH His Royal Highness or Her Royal Highness
HTML Hypertext Markup Language

I

IAU Information Access Unit
ICAC Independent Commission Against Corruption
ICT Information and Communications Technology
IT Information Technology
IWD International Women's Day

J

JCC Joint Consultative Committee

K

KTS Keep Them Safe

L

LGA Local Government Area
LHIB Lord Howe Island Board

M

MoPS Act Members of Parliament Staff Act 2013

N

NAIDOC National Aboriginal Islander Day Observance Committee
NBH Northern Beaches Hospital
NDIS National Disability Insurance Scheme
NERA National Education Reform Agreement
NGO Non-Government Organisation
NIIS National Injury Insurance Scheme
NOLS National Occupational Licensing Scheme
NPWS National Parks and Wildlife Service
NSLHD Northern Sydney Local Health District
NSW TMF NSW Government self-insurance scheme

O

OCHRE Opportunity, Choice, Healing, Responsibility, Empower
OEH Office of Environment and Heritage
OGC Office of General Counsel

P

PARC Prevention Alcohol-related Crime
PCO Parliamentary Counsel's Office
PMP Privacy Management Plan
PIIP Privacy and Personal Information Protection Act 1998
PSC Public Service Commission

Q

QC Queen's Counsel

R

RAPs Regional Action Plans
RSS Really Simple Syndication

S

SEB Senior Executive Board
SES Senior Executive Service
SGML Standard Generalised Markup Language
SMC Senior Management Council

T

TRH Their Royal Highnesses

U

USP Unsolicited Proposal

W

WHS Work Health and Safety
WRAPP Waste Reduction and Purchasing Policy

Y

YPN Young Professionals Network

INDEX

A	
Abbreviations	131
Aboriginal employment	47
Aboriginal people	14, 22, 39, 126
About us	4-15
Account payment performance	122-123
Activity Based Working	34
Audit and Risk Management	112-113
Audit reports and external reviews.....	112
Australian Accounting Standards	68, 69, 74
Automatic Mutual Recognition	21
B	
Budget review	97
Bushfires	24, 40
C	
Cash flows	58, 68, 72, 84, 97-99, 101
Central agencies	18
Changes in equity	57
Child sexual assault in Aboriginal communities	29
China	25, 110-111, 117
Claims and reports	48-49
Clusters	29
COAG	6, 9, 14, 20-22, 34
Coastal protection	83
Commitments for expenditure	97
Community events	25, 76
Community Relations Commission	14, 32, 47
Compliance with financial directives	67
Comprehensive income .	55, 57, 59-62, 69-70, 72, 78
Conditions on contributions	80
Consultancies	115-116
Consultations	19
Consumer response	49
Contacts	129-130
Contents	3
Controlled entities	105
Corporate governance	10, 44-50, 82
Council performance	36
Credit card use	114
Customer service	10, 15, 29
D	
Delivery and Implementation Group	59, 63, 82
Department of Education and Communities	7, 14
Department of Family and Community Services	14, 22
Department of Planning and Environment	5, 17, 21
Department of Premier and Cabinet	4-5, 9, 13, 54, 68, 91, 104, 109, 113, 129
Department of Trade and Investment	29, 89
Directions Statement	13-14, 17
Disability Action Plan	47
Division of Local Government	11, 36-37, 68-69, 77, 97
E	
Electronic Document and Records Management System	50
Energy efficiency	83
Environment and Heritage portfolio	11, 45
Equal employment opportunity	47, 126
Environmental Planning Instruments	42-43
Intergovernmental Agreement for the National Exchange of Criminal History Information for People Working with Children	6
Evaluation framework	14, 28
Event Access and Inclusion Project	15, 25
Events after the reporting period	103
Expenses excluding losses	55, 59-62, 75
F	
Female executive officers	126
Financial assets	
— current assets	56, 63-66, 69-70, 74, 84-86, 92-97
Financial assets	
— intangible assets ...	56, 63-66, 69-71, 77, 87, 92-96
Financial instruments ..	69, 71, 74, 84-85, 98, 101-102
Financial position	56, 68, 72, 84, 97, 99, 101-103
Financial statements	51-103
Funding and expenditure — appendices	112-132
Funds and grants	116-121
G	
Gonski	20
Government Advertising Act 2011	24
Government information	10, 18, 28-29, 104-105
Government Information (Public Access) Act 2009	10, 105
Government relations	18, 20
GOView	29
Government Sector Employment	9, 11, 15, 45-46, 106, 127
Greater Western Sydney	115, 129

H

Housing supply19, 24
 Human Resources 46-49, 124-126

I

Independent Commission Against Corruption ...7, 11, 127
 Industrial relations 49, 82, 95
 Infrastructure
 4-5, 10-11, 14-15, 17-21, 24, 31, 34, 37, 50, 56, 58, 77,
 81-82, 85-86, 89, 92, 95-96, 111, 119, 129
 Information Access Unit 10, 104-105, 124
 International Women's Day 47
 Inventories56, 63-66, 71, 92, 98

J

Joint Consultative Committee49

K

Keep Them Safe6, 26, 115
 Kings Cross119

L

Leadership networks 33
 Legal - appendices127-128
 Legislation ... 7, 10-11, 24, 26, 39, 42-43, 88, 107, 127-128
 Legislation and legal change127-128
 Legislative drafting services 42
 Local Government Area 18
 Lord Howe Island Board 68, 75, 81, 112, 118

M

Major capital works114
 Members of Parliament Staff Act 20136, 127
 Minister for Local Government's portfolio128
 Multicultural policies and services 47
 Murray Darling Basin Plan21

N

National Disability Insurance Scheme14, 22
 Native vegetation40, 83
 Natural Resources Commission11, 39, 81, 112
 Net assets from equity transfers 57, 91
 Non-current assets 56, 63-66, 69 -70, 74, 85, 92-96
 National Aboriginal Islander Day Observance
 Committee 47
 Northern Beaches Hospital 32
 National Education Reform Agreement20
 Non-Government Organisation18, 77
 National Injury Insurance Scheme14, 21
 National Parks and Wildlife Service 39
 Northern Sydney Local Health District 32

NSW Government self-insurance scheme114
 NSW NOW 19

O

OCHRE Opportunity, Choice, Healing,
 Responsibility, Empower 22
 Office of Environment and Heritage
 11, 38, 40, 68, 71, 80-81, 83, 88-89, 91, 97, 101, 130
 Office of General Counsel10, 104, 124
 Office of International Engagement18, 124
 Office of the Governor of NSW 28
 Organisational chart124
 Other gains/(losses)80
 Overseas visits110-111

P

Parliamentary Counsel's Office
 11, 42, 61, 65, 68, 81, 83, 91, 94, 97, 125, 130
 Performance
 5, 9-11, 13-15, 19, 23, 25, 28, 33-34, 36-37, 42-43, 45-
 46, 48, 68, 71, 82, 97, 102, 112, 122-124, 128
 Performance highlights5-7
 Pests 39, 82
 Planning and infrastructure 24
 Planning reforms 24
 Premier and Cabinet cluster10-11
 Premier's portfolio10-11
 Prevention Alcohol-related Crime 117
 Privacy and Personal Information Protection
 Act 1998104
 Privacy Management Plan104
 Private sector4, 6, 9-10, 13, 15, 23, 30-31, 79, 106
 Public interest disclosures104-105, 112, 127
 Public Service Association 49
 Public Service Commission11
 Public Service Commissioner10

R

Receivables
 56, 63-66, 68-69, 71, 84, 92-94, 96, 98-99, 101
 Red tape6, 14-15, 25, 40, 115
 Regional Action Plans 14
 Regulations7, 40, 127-128
 Resource recovery50
 Resources 10, 14-15, 38, 68, 73, 82, 124
 Responsible pet ownership37, 60, 64, 82, 92
 Restricted assets80, 88
 Revenue 31, 55-62, 69-71, 73, 78-79, 89, 91, 97-98

S

School funding20

Senior Executive Board10

Senior Executive Service125

Senior management48, 113

Senior Management Council10

Service groups 62, 82, 91-92

Service NSW11, 60, 64, 81-82, 88, 96

Sponsorship revenue 31

Staff

4, 6, 15, 23-24, 33- 34, 38, 43, 45-50, 70, 73, 76, 82, 96, 104-105, 110, 126-127

Staff profile by employment category (DPC)126

Staffing, policies and practices 45-46

State Infrastructure Strategy 5, 14, 17, 89

Summary of significant accounting policies68

Sydney Harbour 39

T

Tourism 39, 82

Transfer payments67, 72, 78, 81

Transport for NSW 17, 29

Trust funds 72

U

Unsolicited Proposals 4, 6, 14-15, 27, 31, 105, 112

V

Visitation40, 82

Volunteers 40, 118

W

Work health and safety48

Workers' compensation73, 75

Workplace giving program 29

Waste Reduction and Purchasing Policy49

Y

Young Professionals Network47-48

